FINANCIAL TIMES

No. 27,033 Thursday July 29 1976 **10p

CONTINENTAL SELLING PRICES: AUSTRIA Sch.15; BELGIUM Fr.22; DENMARK Kr.3; FRANCE Fr.2.50; GERMANY DM1.70; ITALY L.400; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Esc.17.50; SPAIN Ptas.35; SWEDEN Kr.2.75; SWITZERLAND Fr.1.70.

NEWS SUMMARY

GENERAL

Lebanon accord changes sought

Palestinian Liberation tion and its Lebanese ught changes in this raft Syrian-Palestinian here were indications U.S. and Soviet Union o-operating to help a settlement.

S. and Soviet Ambassa- yria are in Washington ow for consultations on

hile, the International s said it plans to start g 1,000 wounded ins from the beleagured Zaatar refugee camp Page 5

Brayley sed

ayley, friend of Sir Wilson and a former Army Minister, was ith a summons yester- sing him of conspiracy d. The summons alleges spired with another to defraud the company t up—Canning Town

s in Maze n protest

third consecutive day rupted at Belfast's Maze There were also reports s at Magilligan camp in ionderry. In the Maze, tional IRA men ripped sheets and threw them round fences. All but me men were special convicted prisoners.

hoaxers ive years

en, aged 21 and 25, who a hoax bomb for a joke heater at Castle museum was crowded with school were each jailed for five Chelmsford, Essex. The was evacuated after dis- f a cardboard box which the message: "This is a ... Love IRA."

Feather at 68

ather died early yester- University College London, where he had mitted last Saturday after a brain haemorrhage. the former general the TUC, who was been declared fit follow- ment for lung cancer. Page 11

nese airline s charged

sident and managing of ANA, All-Nippon Japan's domestic air- are charged yesterday gally receiving £95,000 ckheed, the U.S. aircraft turer

ing pigeons e rails

Transit of Pigeons Bill, g British Rail to con- accept unaccompanied pigeons for freight was given an unopposed ast reading in the Com-

digs Mars

Mars probe, Viking 1, scooped up a table- measure of soil and the first scientific test m another planet.

ly ...

ukins, qualifying for the inal, boosted Britain's of an athletics medal in to add to Brendan bronze. Olympics, Page 2

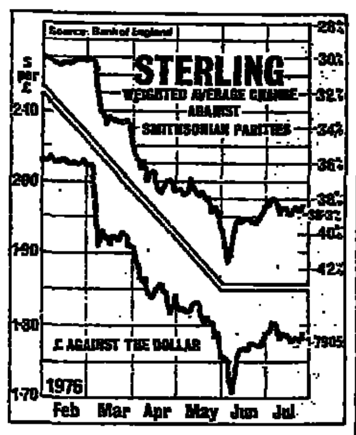
expert is to help Italian es decide how to decon- the area north of Milan stricken by an escaped Page 6

A executive yesterday industrial action by ... which is causing ... lists in hospitals.

BUSINESS

Sterling climbs above $1.79

● STERLING gained 85 points to $1.7905 on strong commercial demand; its weighted deprecia-



tion improved to 38.3 (38.6) per cent. The dollar's widened to 2.02 (1.84) per cent. The French franc was steady.

● EQUITIES improved in quiet trading. The FT 30-share index gained 2.7 to 375.4 while the FT-Actuaries All-Share index rose 0.5 per cent. to 154.42.

● GILTS continued to rally. Shorts made gains extending to ⅜ and mediums and longs to ¼. The Government Securities index improved 0.18 to 62.03.

● GOLD lost $½ to $113¼.

● WALL STREET closed 2.8 down at 981.33, recovering from earlier falls ranging to 6.96.

● U.S. INDEX of leading economic indicators rose in June by a provisional 0.3 per cent., the smallest increase since November. Morgan Guaranty Trust has cut its prime rate by ¼ to 7 per cent. Page 4

Steel price rises expected

● BSC IS expected to announce further price rises in the autumn to transform the past financial year's £255m. loss into a profit in the current year. Telephone charges will be held at present levels for another year, promised the Post Office chairman, announcing £147.9m. profits. Back Page and Page 10

● MAGNUS FIELD extension has been proved by BP. A decision to develop the North Sea oilfield could be made next year. Back Page. Chevron, the U.S.-based group, is likely to accept State participation in its North Sea oil assets within three months. Page 8

● COMMONS Expenditure Committee says Chrysler U.K. may need further financial assistance by 1979 because of the Government's handling of the rescue deal. Back Page and Page 10

● EEC COMMISSION has taken a first step to deeper involvement in member states' economic policy by investigating how the Community could help Ireland. Page 6

● TRADE DEPARTMENT has protected a British industry against subsidised competition from abroad for the first time by confirming 8 per cent. import surcharges on Brazilian-made men's shoes. Page 4

● IRAN HAS dropped its £73m. option to buy 18 French turbo-trains following operational difficulties with an initial four. Henry Boot Construction of the U.K. has won a £4m. part share in the contract to build the Hong Kong Metro track. Page 4

● INDUSTRIE PIRELLI, the loss-making Italian partner in the Pirelli-Dunlop union, has heavily reduced its losses in the first half of 1976. Page 23

● DE LA RUE pre-tax profit in the first quarter rose to £4.18m. (£0.77m.) on increased turnover of £37.64m. (£27.05m.). Chairman says the trend is likely to be maintained throughout 1976. Page 19 and Lex

PRICE CHANGES YESTERDAY

(In pence unless otherwise indicated)

RISES

3pc 1959	£22¾	+ 1
...ntinental	61¼	+ 9½
...	48	+ 9
... "A"	27¼	+ 3½
...ebb	20	+ 3
... Invs.	11½	+ 2
...hill Prop.	600	+ 10
...ortswear	41	+ 6
...ac	251	+ 5
...	87	+ 3
...and Estates	232	+ 4
...res.	43	+ 5
...Shanghai	250	— 4
...np.	193	+ 13
...el	45	+ 4
... Scott	47	+ 5
...and Southerns	137	+ 5
...and Invs.	23	+ 3½
...n Overton	33	+ 4
Nat. Westminster	220	+ 5
Rothschild Invs.	232	+ 9
Rowntree Mackintosh	202	+ 4
Taylor Woodrow	258	+ 4
Vantona	93	+ 4
Weyburn Eng.	366	+ 22
Tricentrol	66	+ 6
Ultramar	129	+ 4
Buffelsfontein	650	+ 25
FS Geduld	£10¼	+ ½
President Brand	£10	+ ½
W. Driefontein	£16¾	+ ½

FALLS

Albion	11	— 4
Hambro Life Assur.	214	— 6
Morrison (W.)	79	— 6
Philips' Lamp	835	— 20
Union Discount	295	— 5
North Kalgoorli	54	— 1½
Pancontinental	£13¼	— ½
Ranfontein Ests.	£16¼	— ½
Western Hldgs.	£14	— ½

TUC and Labour executive endorse new social contract

BY PHILIP RAWSTORNE

The second phase of the social contract, designed to secure a three-year period of industrial stability, was formally sealed by the Government and the TUC yesterday.

Mr. James Callaghan, welcoming the renewal of the accord said: "It offers an opportunity for the rebirth of our industrial system, coupled with social priorities based upon mutual co-operation."

Mr. Len Murray, TUC general secretary, said after the General Council had endorsed the contract: "It's not so much a programme, more a way of life. . . It's a policy for all seasons.

The backing of the Labour Party's national executive committee, however, was only given by 13 votes to seven after prolonged resistance by Left-wingers.

Mr. Anthony Wedgwood Benn, the Energy Secretary, was a notable absentee from the meeting. He was said to be "working in his office," but Left-wingers commented bitterly on his failure to attend.

Defiance

Within minutes of approving the social contract, the NEC went on to pass, by a similar margin, a resolution from Mr. Eric Heffer, a former Industry Minister, attacking the Government's public expenditure cuts. By the time this vote was taken, the Prime Minister had left the meeting.

The resolution — seen as a gesture of defiance and a prelude to further Left-wing attacks on the Government at the party conference this autumn—said that the cuts would neither achieve a switch of resources into industrial investment nor gain foreign confidence.

It condemned them as likely to substantially increase unemployment, alienate Labour support and jeopardise the social contract.

Another Left-wing attempt to emphasise the differences between the policies of the Government, the party and the trade unions in a proposed report

Details Page 11; Economic Viewpoint, Page 17; Cuts praised abroad, Back Page

to the party conference was narrowly defeated by 13 votes to 11.

In spite of these difficulties, Mr. Callaghan was in a confident mood at the Press conference to launch the new period of co-operation between Government and unions.

There would be many critical problems ahead, he said, and inevitably strains on the agreement.

"The next three years will be years of difficult transition, but this agreement gives us a greater chance of bringing the country through."

Mr. Murray stressed that the contract established broad agreement on objectives, while leaving room for argument and discussion about the means and the speed of achieving them.

The contract, while seeking to avoid "raising false expectations," emphasises the need for Government policies to level off public spending to ensure that the maximum benefit is extracted from economic expansion.

The document states firmly that Britain's public sector debt in foreign currencies now totals $17bn. and that $800m. will have to be paid in interest this year.

"Until we have made further progress in getting out of debt, our economic situation will remain precarious . . . we cannot afford to introduce new policies which go beyond the present allocations for public spending, however desirable they may be, unless we can make room for them by dropping or postponing some of our existing plans."

Objectives

The contract sets out some immediate objectives. One of the first fruits of the new agreement will be a Government announcement next week of further measures to ease the unemployment situation, particularly among school-leavers.

Mr. Callaghan made it clear yesterday that the package will have no more than a marginal effect, though the Government is committed by the contract to the

Continued on Back Page

Chinese cities hit by quakes

By A Special Correspondent

PEKING, July 28.

PEKING'S 8m. people are on the streets to-night, huddled in bedrolls or squatting on tiny stools with their meagre possessions surrounding them, protected from torrential rains by plastic sheets.

The worst earthquake recorded since the tremor in Alaska 12 years ago struck China early this morning. The authorities have confirmed that people have been killed, although detailed reports have not been made.

Second tremor

The earthquake struck China's northern Province of Hupeh at 3.43 a.m. A second tremor occurred about an hour later. Minor shocks followed throughout the day. And at 7.30 p.m. a severe tremor shook Peking. Officials have warned that there could be further shocks to-night.

The Chinese Foreign Ministry has recorded the first tremor at 7.3 on the Richter scale. But the U.S. Earthquake Information Centre in Colorado and the Hong Kong Observatory have both recorded 8.2, making it the largest tremor since the 1964 earthquake in Alaska recorded at 8.6.

In Peking, new buildings have withstood the shock well, although large cracks have appeared in many walls. Older buildings and courtyard dwellings have suffered more damage. Houses have been destroyed.

In Tientsin, the damage is worse. Mr. Gough Whitlam, Australia's former Prime Minister, and his wife, Margaret, who spent the night in Tientsin on the final leg of their three-day visit to China, described the experience briefly at Peking Airport before leaving China.

Mrs. Whitlam said she and her husband had been thrown to the floor of their top-storey room in the hotel. The Whitlams were led from the building by Chinese officials and taken first to a stadium with about 70 other foreigners.

Digging

They were later transferred to the former British Club building in the old concession area of the city. Mr. Whitlam bandaged his wife's bleeding leg gashed by broken glass from a dressing-table mirror. As they left Tientsin, Mrs. Whitlam said that people were digging among rubble for bodies.

In Tangshan, the old mining town about 100 miles from here, there are fears of heavy casualties from collapsing buildings and miners may be trapped underground. Tangshan is believed to be the epicentre of the earthquake.

Peking's foreign residents,

Continued on Back Page

U.K. breaks relations with Uganda

BY BRIDGET BLOOM, AFRICA CORRESPONDENT

BRITAIN has broken off diplomatic relations with Uganda. British interests there, which include the presence of some 200 British citizens, are to be looked after by the French Embassy in Kampala.

Announcing the break in the Commons yesterday, Mr. Anthony Crosland, the Foreign Secretary, gave as the principal reason the "long and troubled history" of relations between the East African State and Britain.

Referring to the recent expulsion of two British diplomats, but otherwise refraining from details, Mr. Crosland said: "The events of recent weeks have demonstrated that it is not possible for our High Commission effectively to discharge their normal duties.

"I have therefore decided that we should break diplomatic relations with Uganda."

He added that for the past two weeks the Government had been "advising the British community in Uganda that they should seriously consider leaving. My best estimate is that all but some 200-plus have now left." Those remaining, he said, were mostly residents of long standing "who well understand the risks which they run in staying in Uganda."

Mr. Crosland's statement was in notably low key. Declaring that Britain had no quarrel with the people of Uganda, he asked M.Ps to bear in mind the interests of those who remained and to "accept the need for some restraint in language."

The statement was welcomed by Conservative and Liberal MPs. Mr. Maudling, Shadow Foreign Secretary, declared Conservative support for Mr. Crosland's action and joined in the Foreign Secretary's tribute to the British High Commission staff, who had carried out their duties in "conditions of grave and serious danger."

The announcement comes just over two weeks after Mr. Crosland initiated a full review of Anglo-Ugandan relations. The occasion for the review was the disappearance of the British-Israeli subject Mrs. Dora Bloch, in the wake of the Israeli raid on Entebbe, together with the expulsion of Mr. James Hennessy, British High Commissioner, and his deputy, Mr. Brian Horrocks.

'250 quit'

Although it is clear that the basic decision to sever relations was taken during that review, Mr. Crosland decided against an immediate break principally because he felt that an interval was needed for those Britons who wanted to leave Uganda to do so.

The Foreign Office says it still has no exact figures, but estimates that of the 550 or so Britons in Uganda at the end of June, some 250 have left, mainly by air to Nairobi.

Ministers were refusing last night to comment on the possible fate of those who have elected to remain. However, it is felt that the mere presence of British diplomats was latterly a provocation to President Amin. The calculation appears to be that those remaining, mainly missionaries and others in social and educational fields, are likely to be safer with that provocation removed.

Two diplomats, a First and a Third Secretary, are to be left in Kampala, but they will work from the French Embassy.

Editorial comment Page 16: OAU secretary hopes for accord Page 5

Government may support company law amendments

BY MARGARET REID

THE GOVERNMENT is expected to back Conservative moves to tighten company law to limit the building of large shareholdings through "warehousing" and to enable Boards to unmask investors hiding behind nominee holdings.

This extension of the requirement for disclosure of share transactions—which could have an important bearing in take-over situations—will be brought about by the Government supporting two Opposition amendments to the present Companies (No. 2) Bill.

The two amendments, tabled by Conservative MPs last month, would require the disclosure of holdings of as little as 5 per cent. of a company's shares, instead of 10 per cent. as at present, and allow Boards to insist that holders say on whose behalf their shares are held.

Government support for these provisions, both modelled on clauses in the Conservatives' abortive 1973 Companies Bill, will enhance the importance of the Companies (No. 2) Bill.

This Bill, previously seen as a stop-gap measure pending the planned more far-reaching company law reform, has so far been mainly concerned with strengthening the position of company auditors and tightening the requirements on the filing of company accounts.

The Bill has already been amended to make it a criminal offence for directors and other officers to give misleading information to auditors deliberately.

It is not expected the Government will adopt a further set of Conservative amendments aimed at combating "insider trading," the use by people connected with a company of confidential information to make profitable share deals.

This has long been a subject for company law reform, but there are problems in framing a control which is enforceable without being excessively restrictive.

But the fact that the Government now favours wider coverage than at first envisaged for the Companies (No. 2) Bill shows the priority it is giving to reform in this field. Certain company developments have been spotlighted by a series of Department of Trade Inspectors' reports.

The structure of company law and the regulation of security markets have been under scrutiny for some time. A central role has been allotted to Lord Bullock's Committee of Inquiry on Industrial Democracy.

Legislation following the Bullock recommendations on worker directors and other matters is likely to be the key Bill on company matters in the 1976-77 Parliamentary session. Provisions on responsibilities of directors may be added.

Further company provisions, for instance on insider trading and the much wider scope planned for company reports, could accompany it—or follow as a separate measure.

The Companies (No. 2) Bill will be considered by the Commons Standing Committee C to-day, when the Government's support for the "warehousing" and nominee clauses could be made known.

The object of the "warehousing" clause is to make it more difficult for several parties to get together without the knowledge of a company's Board and accumulate sizeable share stakes, together forming a springboard for a takeover bid.

Editorial Comment, Page 16

Manbré rejects Tate £44m. bid

BY KEITH LEWIS

A HOTLY contested take-over battle now looks in prospect following Manbré and Garton's rejection of yesterday's £44m. bid from fellow cane sugar refiners Tate and Lyle. The move comes after several weeks of speculation, and repeated denials from Tate that any offer was imminent, at least at "current prices."

The bid, at 170p cash per share —with an alternative of 70p in cash, plus £1 nominal of Convertible Unsecured Loan stock— has met with an immediate rebuff from the Manbré Board on the grounds of its inadequacy.

Manbre's share price has moved ahead from a base of 131p at the beginning of the month to a peak of 184p, but closed last night at 172p after a hectic day's trading. A great deal of speculation in Manbré has centred on the possibility of a third party entering into the bidding.

National Starch, the American group, has been most frequently mentioned, mainly because it already has a joint company with Manbré. However there has been no evidence to date that National Starch is an interested party.

Much of Tate and Lyle's reasoning behind the bid is based on the need to rationalise the U.K. cane sugar refining capacity, which has to be cut by roughly one-third. The Tate statement said yesterday that "The Board of Tate and Lyle believes that a merger is the most equitable way to achieve a solution to the problem of over-capacity in the U.K. cane sugar refining industry. A merger will enable the industry to plan a joint solution in the most humane and cost-effective manner."

The Manbré counter to that argument is that the bid is a screen to disguise Tate's main objective of gaining control of its starch and glucose interests.

Tate claims support for its bid from the Ministry of Agriculture. A statement last night said: "The Government considers that the unification of the cane refining industry would be a useful means of facilitating an acceptable solution to the problem of rationalising the industry and was informed of Tate's intention to make an approach, and raised no objection to the approach.

"No firm Government decisions have yet been taken about any aspect of the questions raised in the joint submission the refiners made to the Government in January." The general interpretation of the statement was that while the Ministry raised no objections to the approach, it had still not given whole-hearted approval.

A detailed rejection from the Manbré Board can now be expected. It has already said that any merger would not be in the interests of employees, customers or shareholders.

Lex, Back Page

U.K. CANE REFINERIES

Refinery	Capacity 000 tons		No. of Employees	
TATE & LYLE				
Thames	900		2,640	
Liverpool	550		1,920	
Greenock	110		380	
		1,560		4,940
MANBRE				
Sankey	160		480	
Hammersmith	130		380	
Westburn	120		420	
		410		1,280
		1,970		6,220

£ in New York

—	July 28	Previous
Spot	$1.7822-7892	$1.7865-7875
1 month	1.20-1.15 dis	1.25-1.16 dis
3 months	3.15-3.10 dis	3.22-3.12 dis
12 months	10.55-10.45 dis	10.65-10.55 dis

For latest Share Index 'phone 01-246 8026

LOMBARD

Don't blame the officials

BY GEOFFREY OWEN

YESTERDAY'S report on the Chrysler rescue, produced by the Trade and Industry Sub-Committee of the House of Commons Expenditure Committee, adds little to public understanding of the affair and may be seen merely as another chapter in the *long-running battle between the* Sub-Committee and the civil servants in the Department of Industry. But on this occasion the criticisms, though superficial and often unfair, do shed some light on an aspect of the so-called industrial strategy which is sometimes *under-estimated*—the ability of civil servants to carry out their part of the strategy in a way which will satisfy the Government and the House of Commons. The question which emerges is whether they are being asked to do the impossible.

A big dossier

One of the specific criticisms is that when the Chrysler crisis broke at the end of October last year, the civil servants in the Department of Industry "should have been better prepared for such a contingency." The Government had after all, been closely involved with Chrysler ever since the first investment by the American company in Rootes in 1964: a big dossier of informa*tion had been built up. In the* months immediately preceding the crisis the Department was processing Chrysler's application for Industry Act assistance and was looking at the relevant figures "in very great detail." Yet the Department was apparently unaware that the company was rapidly running out of cash. This the Sub-Committee finds surprising.

There are a good many examples from the private sector where even directors on the main Board have been unaware of an impending financial crisis until it was already upon them. In apparently well-organised companies the reporting procedures have been known to break down, with the result that a major subsidiary can get into such deep trouble as to threaten the entire business. How much more difficult it must be for outsiders, with no direct experience of the business, and limited staff resources, to get at the full facts.

No doubt the civil servants must try to do so if their Ministers so instruct them, but *the detailed monitoring of a* company in which the taxpayer has or might have an indirect stake, is a formidable undertaking. It should, in theory, be easier for an organisation like the National Enterprise Board, which actually owns most of the companies it is supposed to be monitoring. But there is no suggestion that all rescue cases, or all cases of selective Government assistance, will be handled by the NEB; this work will remain with the Department.

Planning agreements will not, by any stretch of the imagination, solve the problem. The Sub-Committee is understandably puzzled about what "PA's" (an abbreviation which, like "IS" for industrial strategy, is beginning to creep into official reports) are supposed to achieve. They are basically an exchange of information between companies and the Government about their respective plans, but what happens if their plans conflict? No one knows. In relation to Chrysler the Sub-Committee cannot see how the existence of a planning agreement would have increased the Government's awareness of the company's problems or have provided a solution.

If the Department is to make absolutely sure that it will never be caught napping by a sudden crisis in one of its clients or potential clients, it will have to employ an army of specialists—in finance, production and so on—who will tramp round the factories, filing regular reports and incidentally making life unbear*able for the people trying to run* the business. That, of course, is out of the question.

Private sector

The fact is that when the Government commits public *money to a private sector company*, it is taking a risk; it is making an entrepreneurial judgment that the management of the company will make a go of the business and eventually pay the money back. If the civil servants have so little confidence in the management that they try to second-guess all major decisions (which sometimes seems to happen with the nationalised industries), then either they should not have put the money up in the first place or they should have insisted on a different management.

The exercise of entrepreneurial judgment is very difficult to square with the principles of public accountability which the House of Commons rightly insists on. It is also a skill which civil servants, because of their background, training and experience, find very difficult to acquire. *The fault lies not in the civil* servants, but in an industrial policy which puts impossible burdens upon them. What needs to be changed is the strategy, not the officials.

SPORT

Judo no go for Mr. Cho

OLYMPICS 76

MICHAEL THOMPSON-NOEL REPORTS FROM MONTREAL

IT IS possible to enjoy oneself in Montreal. At night, when the dust of the Games has settled, this attractive city, a skyscrapered *Paris*, becomes an Olympic carnival.

The French restaurants in Old Montreal are full, the night clubs, I am told, are hospitable, and on Crescent Street, where musicians and jugglers and runners emerge after dusk, life is one long party.

It is equally possible in Montreal to so run yourself into the ground that events and hours merge.

Consider an evening taking in soccer, judo, basketball and *wrestling in a four-hour whirl*.

If they ever do get round to slimming the Olympics it is the team events—soccer, basketball, handball, field hockey and volleyball—that most deserve the chop.

The soccer tournament is the most questionable of all, a domestic benefit competition for the shamateurs of Eastern Europe. No one else gets a look-in. It's a Russia v East Germany semi-final.

Surprisingly, the stadium is three-quarters full (tickets for this semi-final cost $2 to $10. After elimination from the European championship, the Dynamo Kiev stars of the full Russian side were transferred to the Olympic squad, which is why European Footballer of the Year, Oleg Blokhin, is out there on the field.

The pitch has been soddened by a thunderstorm but both teams are coping. Wolfram Lowe, an East German Charlie George, races on to a flip pass, performs a tremendous balancing act and hits a post. Then Buriak fouls Hoffmann. The Warsaw Pact looks temporarily shaky, but like the hardened professionals they are, both men nod and get on with the game.

A corner: Vladimir Onischenko rises high among the East Germans but heads just wide. Score at halftime 0—0. Later, Dorner (penalty) and Kurbjuweit score for the German Democratic Republic. Kolotiv (penalty) for Russia. GDR meet Poland (who beat Brazil 2—0) in the final.

On to the Velodrome, for the repechage and final of the light-heavyweight judo. Judo is a *mysterious business. The pro*tagonists spend most of the time gripping each other's clothes and rolling on the floor, but the action, when it comes, is fast and bruising.

The vocabulary of the sport is as complicated as the scoring. A compound win is a *sogo-gachi*. A *waza-ari* is almost an ippon, which is a full point, so a win with *a waza-ari awasete ippon is a win by the addition of two waza-ari*. Really rather simple.

Britain's hope is David Starbrook, the Munich silver medallist, a shambling 30-year-old with a chin the size of Dover Castle. He's already into the repechage in pool A, so is doing well.

immense Korean with coal-black cropped hair, piano-wide shoulders, and an expression of the greatest villainy—like Starbrook himself, not a man to tangle with on a dark night.

While waiting to be summoned, Cho stands staring at the mat. Starbrook sits peacefully and lets the British team manager, Ray Ross, massage his shoulder. His right foot is bandaged.

They are called: Starbrook is wearing the white sash, Cho the red. They bow, then grip each

Assured of a bronze medal British bantamweight Pat Cowdell now meets North Korean southpaw Gu Young Jo for a place in Saturday's final.

other's arms. Although both are exerting remarkable strength the strain doesn't show. Starbrook swivels, Cho grunts, the judges watch impassively.

Judo is no longer the preserve of the Koreans and Japanese. Apart from Starbrook's silver, Britain won two bronze medals *in Munich, but since those suc*cesses the East Europeans have muscled into the sport, which is booming globally.

In preparation for Montreal the British judo squad concentrated on frequent use of intensive training bursts to simulate conditions in the Olympics, where competitors in each division fight up to nine bouts in a single day.

Dr. Ken. Kingsbury, the squad's medical officer, says that in a judo contest distress is so marked that the fighters enter a state of clinical shock. The pulse rate goes to over 220 a minute, so that proper cardiovascular recovery between bouts is important.

In the repechage Starbrook's opponent is Jeaki Cho, an

The time limit for this bout is eight minutes, but within one minute 52 seconds the action suddenly boils. In the blur of movement it is difficult to say whether Starbrook throws the Korean with a *koshi-guruma* (a hip wheel), an *o-soto-gari* (a major outer reaping) or—that subtlest of judo sights—*an uchi-mata-sukashi* (an inner thigh skipping throw).

No matter. He drops on the Korean, pins him to the mat, and the bout and a bronze medal are his. Mr. Cho was slow, and paid *for it. He gets up painfully, his* face contorted, and limps away. Starbrook says: "I was so happy I could have kissed him, but then I looked and saw how ugly he was and changed my mind."

Six women baffle judge in a hairline finish

A heat of the women's 1,500 metres yesterday produced as remarkable a finish as the Olympic stadium is ever likely to see. Only a tenth of a second separated the first six to see. Only a tenth of a competitors.

Judges spent over half an hour poring over a photograph *before they were able to sort* out placings. The winner was eventually given as Ludmila Bragina, the Russian defending champion, who had the distinction of setting world records in all three rounds of the event when it was first run in the Olympics in Mexico four years ago.

Miss Bragina, who celebrated her 33rd birthday four days ago, won in 4 minutes 7.11 seconds after a desperate lunge for the finishing line.

The sixth woman home was American Francie Larrieu in 4-07.21, as six of the eight winners crossed the line with no daylight showing between them.

Stadium officials were unable to decide on placings from the routine photograph and had to call for an enlargement.

Mary Stewart, from Birmingham, was not unduly troubled in reaching to-day's semi-finals. Making a perfectly-judged run, the 20-year-old clerical officer, sister of Ian Stewart, finished fourth in her heat. All four qualifiers crossed the line within two strides of each other.

The race went to Gabriell Dorio, of Italy, in the slow time of 4 mins. 10.84 secs. Miss Stewart returned 4 mins. 11.00 secs., several yards clear of fifth-placed Maricica Puica.

Miss Stewart was always nicely placed in case there was a fierce dash for the line, and when America's Janice Merrill raised the pace with 300 metres to go, Miss Stewart was able to stay with it.

"It was very slow. Not until after 800 metres did we start to run hard," Mary said afterwards.

"I was just out to qualify. I could have gone a lot faster if I had wanted to win."

● Doug Parnham, Britain's *chief hope for a canoeing* medal, narrowly qualified for the semi-finals of the 500-metre Kayak event when the regatta opened on Notre Dame Island, Montreal.

The 25-year-old Surrey student finished third in his heat behind Rudi Helm, of East Germany, and Zoltan Sztanity, of Hungary.

Parnham, sixth in the 500-metres at last year's world championships in Belgrade, only just scraped through yesterday, finishing less than a second ahead of Belgian Gaetan Frys, with a brisk headwind blowing. Parnham was favourably drawn in the sheltered lane one.

● Daley Thompson makes his Olympic debut at the age of 17 in to-day's decathlon, the most exacting athletics event of them all. The Crawley student is excited, rather than nervous, at the prospect of competing *before an expected* crowd of 70,000—which is 69,850 more than have ever watched him before.

"When I walked into the stadium before the Games began it lifted me off the ground. I could not stop *jumping about," said Thompson*. "But I'm not worried. It will be a thrill to compete against the top men in the world."

Thompson, the world's best performer of his age with 7,685 points, has been brought over to gain experience.

● Montreal police chiefs have ordered their men to keep out of Olympic competition sites unless on duty.

The order went out after ticket-holders had complained that they often found their seats occupied by policemen, who sometimes refused to move.

A *check at the Maurice* Richard arena, where the boxing is going on, found 692 Montreal policemen present without tickets. They had entered using the security pass issued to all members of the force on duty during the Games.

● A Hamburg animal-lover

New Zealand's John
favourite for the 1,50
The first heats take plac
the semi-finals on Frida
final on Saturda

has appealed to th
national Olympic Com
drop riding events,
that since they are
cock-fighting could al
the programme.

Klaus Bojka,a lawy
country has won a go
a silver and a bronze
riding events, heads
vironmental protectio

"Animals are not
sports equipment," h
a letter to the IOC
yesterday. The found
Games had meant th
a "sporting competitic
youth of all nation
competition for ani
formances."

If horse riding eve
accepted, then "logic
sleigh races and tr
competitions shou
allowed, and possil
bull-fighting and cocl
The arbitrary choice
riding sports does n
justified," he said.

"Elimination of ho
from the Olympics w
clear expression of th
tion of the responsibi
mankind to maintain
tect nature."

RACING — BY DOMINIC WI

French have a winner in Ke

THE FRENCH, although out of luck with Earth Spirit in the Sussex Stakes yesterday, have been constantly plucking valuable English prizes this season. They look likely to pick up their winning thread again in to-day's Goodwood Cup.

Here, the Gallic challenger, Kemal, looks a cut above the *home trained opposition*. A bay Armistice horse, he has run well in each of his three races this term and a reproduction of the form which enabled him to finish runner-up to the dual Ascot Gold Cup winner, Sagaro, at Longchamps eight weeks ago, should to-day give him a decisive victory.

Kemal, ridden by Lester Piggott, who took the corresponding event on the possibly lucky winner, Girandole, a year ago, may be followed home by Coed Cochion, who ran two fine races at Royal Ascot.

A second possible winner for Piggott, who won 32 victories to his name here since March 1971

GOODWOOD
2.00—Donzel
2.30—Sky Ship
3.05—Sir Montagu
3.35—Kemal
4.05—Harem*
4.35—Stirling Castle
5.05—Star Walk**
REDCAR
2.00—Fragrant Cloud
3.05—Take Aim
3.35—Lutomer Riesling**
CARLISLE
3.15—Street Choir
4.45—Heriot

is by far and away the leading jockey on this tricky course, is Thrifty Trio in the five furlong King George Stakes.

Dermot Weld's Irish challenger showed that he was right back to his best form of la when making all the beat Reelin Jig and in Phoenix Park's Stakes.

Although he could Piggott's haul, I Thrifty Trio may find Shikari and Harem quick for him.

Harem a game York's Rievaulx Han lier this month, in whi the year older Clear lbs and a half length taken to score at attra In the Lanson Stakes, Sky Ship, a s pation in Rulaboy, victory, should follow stakes success.

In the closing Tapestry Handicap, pared to rely on Star pite the presence of rapidly improving Oriental Star and Nor

SALEROOM — BY ANTONY THORNCR

Phillips expands in two directi

PHILLIPS, third in size of the U.K. fine art salerooms after Sotheby's and Christie's, has announced ambitious expansion plans. It has acquired extensive new London premises at Salem Road, to the north of Hyde Park, which will augment its operations off Bond Street and in its Marylebone rooms.

The new saleroom, to be known as Phillips West 2, will hold its first auction in September, and handle some of the excess of goods which would otherwise be sold in the cheaper Marylebone salerooms.

The need for additional space reflects the extra business generated by Phillips following its decision not to impose the 10 per cent. buyer's premium, introduced by Sotheby's and Christie's last autumn.

In another important development Phillips reported yesterday that it had bought the auction room of Jollys of Bath from Dingle of Plymouth. The move gives Phillips a presence in the prosperous West Country. Jollys will continue to function but with Phillips support.

Unlike its bigger competitors Phillips continues to operate during August. It has a particularly interesting sale to-morrow, when it disposes of the silver and plate from the United Service and Royal Aero Club, which closed its doors just a year ago. Most of the items bear the club crest. There is certain to be keen bidding from club members anxious to acquire momentoes.

The most important auction yesterday was at Sotheby's, which sold Old Master pictures for £268,996. The top price was £14,000 (against a £8,000-£9,000 forecast) for a Michele Marieschi view of Venice.

A Florentine school triptych of *around 1380 did* embarrassingly well, selling for £11,000 as against the £800-£1,000 estimate. A hunting scene by Cornelisz Massys quadrupled its forecast at £10,500.

Japanese works of art went for £51,679, a netsuke of a tiger in the style of Garaku making £1,100.

Christie's sold £242,579 and silver Both sales went Jewels small, port steadily appreciating are always a good ma

Mathews paid *slig* than expected with bid for an emerald an brooch. A black diamond tapering pan sold to Lavender fo and Maricar paid £9. alexandrite and diam

The highest price in was the £7,500 from for a large six-light candelabrum by Paul same buyer gave £... George III circular dis celebrated Paul De La £2,600 for three ...

A Queen Anne saucepan was acquired and Lee for £... gave £2,900 for a pa III two-light candela liam Tuite. The the sale of the late Kemsley's collection boxes added £6,608, of about £20,000.

WINE SALE — BY EDMUND PENNING-ROW

High prices for old Madeira

THE MAIN feature of Sotheby's final wine sale of the season yesterday was some high prices for 19th century wines, particularly for vintage and old Solera Madeiras, from an 1846 Terrantez to an 1892 Sercial. All but one lot of the collection of 36 bottles, which realised £786, fell to a single American collector of old wines.

Also, for £155 he acquired a single magnum of Lafite 1870 from Christie's Glamis Castle sale in 1971, when these magnums averaged £85 apiece.

The same buyer yesterday paid £105 for a single bottle of Lafite 1871 from the Gladstone sale of 1972, when it fetched no more than £50 which was considered high even a few years ago.

Moving the vintages forward by one century, this collector also paid £105 for a double-magnum of La Tâche 1971, and £185 for six bottles of Romanée Conti 1971.

The sale was once more dominated by American bidders and their representatives. Fine Sauternes have attra recently, and a single Yquem '47 fetched bottles of the '49 re

Other good prices £50 for a bottle of 18 port and £52 for a bot Napoleon cognac.

First-growth clare steady, but not s with Mouton-Rothschil Latour '61 making £21 a dozen respectively. went up to £110.

The total for the sale was £32,030.

TV/Radio

† Indicates programme in black and white

BBC 1

9.45 a.m. The Adventures of Tin Tin. 9.50 Jackanory. †10.05 Belle and Sebastian. 10.30 Roobarb. 10.35 Vision On. 12.20 p.m. On the Move. 12.30 Olympic Grandstand. 1.30 Bagpuss. 1.45 News. 2.00 Olympic Grandstand including Racing from Goodwood. 4.25 Play School. 4.50 Newsround Extra. 5.15 The Jo-Jo Tree. 5.40 Barbapapa.

5.45 News.
6.00 Nationwide (London only).
6.15 Bellamy's Europe.
6.45 Top of the Pops.
7.15 Olympic Grandstand.
9.30 News.
9.55 Olympic Grandstand including 11.15 Late Night News Headlines.

All regions as BBC-1 except at the following times:—

WALES—1.50-5.15 p.m. Pen Draw'r Byd. 5.15-5.40 Heddiw. 6.00-6.15 Wales Today. 11.15 Late Night News Headlines.

SCOTLAND — 6.00-6.15 p.m. Reporting Scotland. 11.15 Late Night News Headlines.

NORTHERN IRELAND—6.00-6.15 p.m. *Scene Around Six*. 11.15 Late Night News Headlines.

ENGLAND—6.00-6.15 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands Today (from Birmingham); Look East (from Norwich); Points West (from Bristol); South Today (from Southampton); Spotlight South West (from Plymouth).

BBC 2

11.00 a.m. Play School.
2.15 p.m. Glorious Goodwood.
7.10 Take Another Look at Home Sweet Home.
7.30 News on 2.
7.40 In Deepest Britain.
8.10 Vicar of this Parish: Betjeman on Kilvert: rural parish life in the 1870s.
9.00 Call My Bluff.
9.30 The Philpott File.
10.20 Glory Folk featuring the music of the Salvation Army.
10.50 Newsnight.
11.10-11.15 Music at Night. Marisa Robles plays harp music.

LONDON

10.00 a.m. Summer School. 10.55 Cartoon Time. 11.00 Boney. 11.50 Who Matters? 12.00 Animal Kwackers. 12.10 p.m. Rainbow. 12.30 Trash or Treasure. 1.00 First Report. 1.20 Lunchtime Today. 1.30 Crown Court. 2.00 Good Afternoon. 2.30 Racing from Redcar. 4.25 Born Free. 5.20 Spiderman.
5.50 News from ITN.
6.00 Today.
6.35 Crossroads.
7.00 The Bionic Woman.
8.00 The Cuckoo Waltz.
8.30 Thursday Adventure Film: "Mutiny on the Bounty," starring Marlon Brando, Trevor Howard and Richard Harris.
10.00 News.
10.30 Thursday Adventure Film (continued).
12.15 a.m. Close.

All ITV regions as London except at the following times:—

ANGLIA

10.30 a.m. Betty Boop Cartoon. 10.35 Personal View—Vincent Price. 11.05 Play With A Purpose. 11.30 Waterwise. 1.25 p.m. Anglia News. 2.00 Women Only. *4.25 The Romper Room. 4.50 Anna in Jumbleland*. 5.20 Sky. 6.00 About Anglia. 6.20 Arena. 12.10 a.m. The Living Word.

ATV MIDLANDS

11.00 a.m. Stingray. 11.25 Survival. 11.50 David Hand Cartoon. 1.20 p.m. ATV Newsdesk. 4.25 The Lone Ranger. 4.50 The Time Tunnel. 6.00 ATV Today. 12.12 a.m. Gardening Today. 12.40 Father Paschal talks about "The True Image."

BORDER

11.05 a.m. Play With A Purpose. 11.30 Recreation And Interests. †1.20 p.m. Border News. 5.20 Breaktime. 6.00 Border News and Lookaround. 12.10 a.m. Gardening Today. 12.37 Border News Summary.

CHANNEL

†1.20 p.m. Channel Lunchtime News and What's On Where. 4.25 The Beachcombers. 4.50 The Time Tunnel. †6.00 Channel News. †6.10 The Doris Day Show. †12.10 a.m. Actualities et Projections No. 7.

GRAMPIAN

11.00 a.m. Play With A Purpose. 11.35 Recreation And Interests. 1.20 p.m. Grampian News Headlines. 4.25 Rinude. 4.55 Big Blue Marble. 5.20 Wonder Weekly. 6.00 Grampian News. 6.35 Woobinda. 12.10 a.m. Evening Prayers.

GRANADA

11.00 a.m. Sesame Street. 1.20 p.m. Take Kerr. 4.25 Tarzan. 5.15 This Is Your Right (Metrication—weights and prices). 5.20 Crossroads. 6.00 Granada Reports. 6.30 Mr. Ed. 12.15 a.m. Sub *Igloo*. 12.30 *Thank You And Goodnight* . . .

HTV

11.05 a.m. Play With A Purpose. 11.30 Recreation And Interests. 12.30 p.m. Angling Today. 1.20 Report West Headlines. 1.25 Report Wales Headlines. 2.00 Women Only. 4.25 The Woody Woodpecker Show. 4.55 Fantastic Voyage. †5.20 Chucklehеads. 5.25 Crossroads. 6.01 Report West. 6.15 Report Wales. 6.30 Trash or Treasure?

HTV Cymru/Wales—As HTV General Service except 1.20-1.25 p.m. Penawdau Newyddion y Dydd. 4.25-4.55 Bli Yn y Byd. 6.01-6.15 Y Dydd

HTV West—As HTV General Service except: 1.20-1.30 p.m. Report West Headlines. 6.15-6.30 Sport West.

SCOTTISH

11.05 a.m. Play With A Purpose. 11.30 Waterwise. 1.25 p.m. *Road and Weather* Report. 2.00 Women Only. 4.25 Tarzan. 5.20 Kim. 5.25 Crossroads. 6.00 Watch This Space. 6.30 Garnock Way. 12.15 a.m. Late Call

SOUTHERN

10.30 a.m. Hammy Hamster's Adventures on the Riverbank. 10.40 The Nature of Things. 11.05 Play With A Purpose. 11.30 *Recreation And Interests*. 1.20 p.m. Southern News. 2.00 Women Only. 5.20 Sinbad Junior. 5.25 Crossroads. 6.00 Day by Day. 6.30 Survival. 12.10 a.m. Southern News Extra.

TYNE TEES

11.00 a.m. Starting Point. 11.05 Play With A Purpose. 11.30 Recreation and Interests. 1.20 p.m. North East News and Lookaround. 2.00 Women Only. 4.25 The Young Music Makers: Tyne Tees Television's Festival of Music for Schools 1976. 4.50 Beachcombers. 5.20 Follow That Dog. 6.00 Today At Six. 12.10 a.m. Epilogue.

ULSTER

11.05 a.m. Play With A Purpose. 11.30 Waterwise. 1.20 p.m. Ulster News Headlines followed by Lunchtime. 4.23 Ulster News Headlines. 4.25 Tarzan. 5.20 Breaktime. 6.00 Summer Reports.

WESTWARD

10.35 a.m. Skippy. 11.05 Play With A Purpose. 11.30 Recreation and Interests. 12.25 p.m. Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 4.25 The Beachcombers. 4.50 The Time Tunnel. 6.00 Westward Diary. 12.10 a.m. Westward *Late News*. 12.13 *Faith For Life*.

YORKSHIRE

11.00 a.m. Felix the Cat. 11.10 Breaktime. 11.35 Woobinda. 1.20 p.m. Calendar News. 4.25 Thunderbirds. 5.20 Elephant Boy. 6.00 Calendar (Emley Moor and Belmont editions).

RADIO 1 — 247m

(S) Stereophonic broadcast

6.00 a.m. As Radio 2. 7.00 Simon Bates. 9.00 Tony Blackburn. 11.00 Dave Lee Travis with the Radio 1 Roadshow from Scarborough. 12.30 p.m. Newsbeat. 12.45 Paul Burnett. 2.02 David Hamilton (S) (also on VHF). 4.30 Rosko. 5.45 Newsbeat. 6.02 Sam Costa (S) (Joins Radio 2) (10.00-11.00 as VHF). 11.00 John Peel (S) (also on VHF). 12.00-2.31 a.m. As Radio 2.

RADIO 2 — 1,500m and VHF

6.00 a.m. News Summary. 6.02 Colin Berry (S) including 6.15 Pause for Thought. 6.55 Olympic Sports Desk. 7.02 Brian Matthew (S) including 8.27 Racing Bulletin. 8.30 Olympic Sports Desk. 8.45 Pause for Thought. 9.02-11.30 Pete Murray's Open House (S) including 10.30 Waggoners' Walk. 11.30 Jimmy Young (S). 1.50 p.m. Olympic Sports Desk. 1.55 Good Listening (VHF). 2.02 David Hamilton (S) as Radio 1, but including on 1,500m. only (also 202m. Scotland) Racing from Goodwood and 2.45 and 3.45 Olympic Sports Desk. 4.30 Waggoners' Walk. 4.45 Olympic Sports Desk. 4.50 Sam Costa (S) including 5.45 Olympic Sports Desk. 6.33 Olympic Sports Desk. 7.02 Wit's End. 7.30 Olympic Sports Desk. 7.33 *David Allan's Country Club* (S) including Olympic Sports Desk. 9.02 Wally Whyton (S) with Both Sides Now, including Olympic Sports Desk. 10.02-11.00 Folkweave (S) (VHF only) (11.00-12.00 VHF only as Radio 1). 10.02-2.30 1,500m. only (also 202m. Scotland) until midnight when VHF joins Olympics 76 with Terry Wogan. 2.30-2.31 News Summary.

RADIO 3 — 464m, Stereo & VHF

6.55 a.m. Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composers: American pupils of Nadia Boulanger (S). 9.55 Bandstand (S). 10.25 Schumann piano recital (S). 11.00 Music in Renaissance Venice (S). 12.20 p.m. Mid-day Concert part 1: Debussy, Ravel (S). 1.00 News. 1.05 Concert part 2: Rachmaninov (S). 1.50 Matinee Musicale (S). 2.50 Music from the Wythenshawe Forum, part 1: Haydn, Ridout (S). 3.30 Vaughan Williams and Housman (talk). 3.45 Concert, part 2: Sibelius, Vaughan Williams. 4.05 BBC Welsh Symphony Orchestra (S). 5.45 Homeward Bound (S). 6.05 News. 6.10 Homeward Bound (continued). 6.30 Lifelines: The Wider World. 7.30 Proms concert, part 1: Stravinsky, Mozart (S). 8.20 Ansel Adams, photographer, reflects on his work. 8.40 Proms concert, part 2: Britten, Mozart. 9.35 R.D. Laing: Do You Love Me? An entertainment (S). 10.50 Beethoven chamber music (S). 11.25-11.30 News.

RADIO 4 — 434m, 330m, 285m and VHF

‡ Medium Wave only

6.20 a.m. News. 6.22 Farming To-day. 6.40 Prayer for the Day. 6.45 To-day. 7.00 News and more of To-day including 7.17 The Olympics. 7.25 VHF Regional News. 7.45 Thought for the Day. 8.00 News and more of To-day including 8.17 The Olympics. 8.25 VHF Regional News. 8.45 Yesterday in Parliament. 9.00 News. 9.05 These You Have Loved (S). 10.00 News. 10.05 From Our Own Correspondent. 10.30 Daily Service. 10.45 Morning Story. 11.00 News. 11.05 . . . And The Wall Came Tumbling Down. 11.50 Voices of the Wild. 12.00 News. 12.02 p.m. You and Yours. 12.27 The Men From The Ministry. ‡12.55 Weather, programme news VHF (except London and SE). Regional News. 1.00 The World At One. 1.30 The Archers. 1.45 Woman's Hour including 2.00-2.02 News. 2.45 Listen with Mother. 3.00 News. 3.05 Afternoon Theatre (S). 3.50 Jack De Manio precisely including 4.00-4.05 News. 4.35 Story Time. 5.00 PM Reports. ‡5.50 Financial Report. VHF Regional News. 5.55 Weather, programme news. 6.00 News. 6.15 Dad's Army. 6.45 The Archers. 7.00 News. 7.05 The World in Focus. 7.30 Any Answers. 8.00 The Detectives. 8.45 Spice Trail North. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.45 A Book At Bedtime. 11.00 The Financial World To-night. 11.15 To-day in Parliament. 11.30 News.

BBC Radio London — 206m and 94.9 VHF

6.00 a.m. As Radio 2. 6.30 Susie Barnes with Rush Hour. 9.00 Richard Vaughan with London Live. 11.03 Jenny Thompson and Diana Rice with In Town. 12.03 p.m. David Simmons's Call In including 12.45 London News Desk. 2.03 Paul Owens with 206 Showcase. 4.03 Sound Out. 4.32 Tony Fish with Home Run, including 5.00 and 6.03 London News Desk. 7.00 Jenny Thompson and Diana Rice with In Town (as 11.03 a.m.). 8.00 Rail. 8.30 In Concert. 10.03 Robbie Vincent's Late Night London. 12.00 Closedown: As Radio 2.

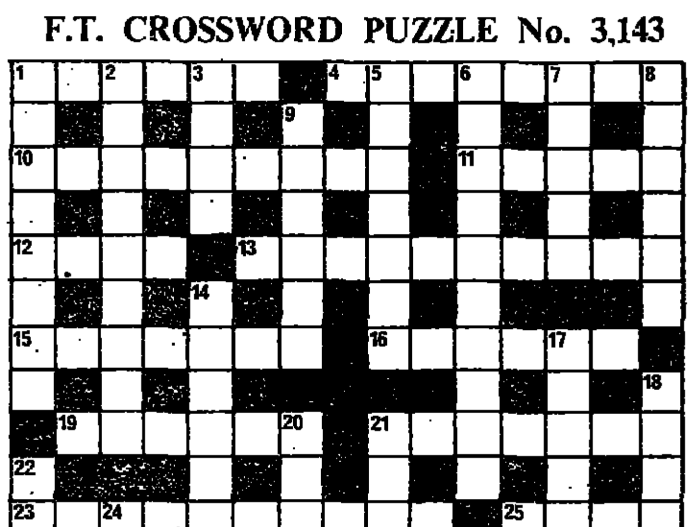
London Broadcasting — 261m and 97.3 VHF

5.00 a.m. Morning Music. 6.00 "AM"—breakfast-time show. 10.00 Brian Hayes—talking to London. 1.00 p.m. Newswatch. 5.00 Newsbreak. 7.30 *Music in Stereo*. 9.00 Nightline. 1.00-4.50 a.m. Nightwatch—news every half-hour through the night.

Capital Radio — 194m and 95.8 VHF

6.00 a.m. Graham Dene. The Breakfast Show. 9.00 Tony Myatt presents the "Michael Aspel Show." 12.00 Kerry Juby presents "Cash On Delivery." 3.00 p.m. *Roger Scott*. 7.00 *London Today*. 7.30 Bryan Wolfe presents "Open Line." 9.00 Your Mother Wouldn't Like It. Capital's heavy rock show. 11.00 Tony Myatt. The Late Show. 2.00-6.00 a.m. Night Flight.

F.T. CROSSWORD PUZZLE No. 3,143



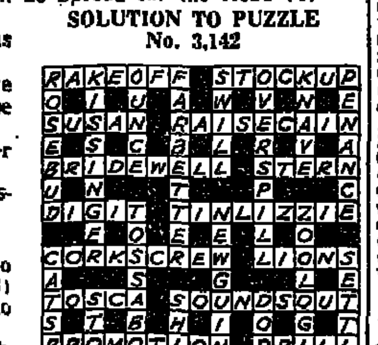
ACROSS

1 Tax returns about the good subjects (6)
4 Kings can be cunning in battle (8)
10 Part of a heavenly tea? (5-4)
11 Ancient king I found in a hand-cart (5)
12 Incline to Spratt's diet (4)
13 To win narrowly means a predicament before the House (6, 4)
15 Normal city in a foreign country (7)
16 There is little work in very French figures (6)
19 How to show a poor hand round the town (2-4)
21 Went round the gallery in a measure (7)
23 Censor passage in a political conspiracy (4, 6)
25 A novelist to embrace with love (4)
27 Naaman thought it as good as as Jordan (5)
28 One of the lucky charms—we take them to the race-course (3, 6)
29 No see follows it after delayed encounter (4, 4)
30 "A beast that wants discourse of —" (Hamlet) (6)

DOWN

1 "But — clouds of glory do we come" (Wordsworth) (8)
2 Buttons with an endeavour to create a spectacle (9)
3 A new fad—about last month (4)
5 In one short month the girl means to pile it on (7)
6 The school is liberal on the river (10)
7 One of the Marx brothers in a smart circle (5)
8 Fine weather brings forth the adder (6)
9 Wipe out sound recommendation in a salesman (6)
14 Has a meal like a good greyhound (6, 4)
17 The French in any case must go to court (2, 4, 3)
18 Gilpin's intended destination (8)
20 Must art change in bed? (7)
21 Staggered like a slippery customer in debt (6)
22 A bad hand makes old Bob move slowly (6)
24 Method of travel for an artist in the money (5)
26 Spread for the Head (4)

SOLUTION TO PUZZLE No. 3,142



Air Theatre, Regent's Park

The Manly Bit

actors who perform in of two. writing their own l. go in for transvestite This leaves large areas world's experience un- several of which have ploited by John Burrows n Harding. This highly pair have in the past their sharp wits upon of Britain heroics, the s of the rat race and rds of opting out. This ey are together on a bike, though other is might equally have to bring up the central the emotional dif- between one hiker e) who is married but too pleasantly and who says he would like at isn't.

se the camping context them to make a natural the wooded and hillocky signed for the evening of *Love's Labour's* *Manly Bit* plays Mon- esdays and Fridays at August 27.)

st meet Phil (Harding, ht, deliberate) striding over the brow of the hill taking a three-point bearing while the yet unseen Barry (Burrows, scruffy, coarse) defaecates — the word is Phil's, politely insisted upon — behind a tree.

The discovery of a tent in the vicinity, with a bra drying on the grass, hence presence of womankind, brings upheaving emotions in the two men. I did think them unlikely fellow-hikers, even for office-workers with imposed holiday lists, but this may indicate some flaws in their character. Outside the empty tent Barry's curiosity is spiced with desire, Phil's curbed by conscience.

The exchanges between the two are witty and alert to the words that betray stated beliefs. There is pain at the centre of their humour, as there always is within the best of it. And pain, too, for the men stride off before realising the girl's real plight.

It makes a mid-day hour of spirited, astringent entertainment. All seats are 50p, and quiches and wine are to be bought at little tables below the rim of the amphitheatre.

JEREMY KINGSTON

nore Hall

Lindsay Quartet

people follow form young string quartets nong promising soloists; e the Wigmore Hall ave been full on Monday, t wasn't. The Lindsay is remarkable not only strength and panache of members, but for the e concentration with it pursues its sharply musical purposes. There rong sense—as rare as citing—that each player his head, and yet that heads happen to think sic in the same way. rown of this first pro- was the late Beethoven in C sharp minor, played without pauses for between its "move- (the work amounts to nuous whole), and with responding cumulative If they took the final at a pace furious enough them to the limit (and beyond), the intensity had gone before seemed fy it entirely. From the y measured fugal Adagio pening through the extra- succession of move- which succeed it, it was of fastidious intelli- the later Adagio was per- co literally "ma non troppo," but even that seemed chosen for the purpose of displaying the following Allegretto as a development of it. One cannot argue lightly with a performance so evidently considered, and, with so much that was moving.

The Lindsay Quartet have recorded all of Michael Tippett's three quartets. One is included in each of their current concerts; on Monday it was the First, attacked with the idiomatic flair of their recorded performance. Tippett's singular tenderness brought out as vividly as the lightly sprung rhythms. The last of Haydn's Op. 20 quartets, the A major, was given a sympathetically intimate reading, the Adagio transparently heart-on-sleeve, and the tiny Minuet neatly turned; but it is not stylish to slither over so many groups of small notes as the first violin was inclined to do. Not the least of Haydn's virtues is that his music is tidier than almost anybody's; for once, the Lindsay players sounded too relaxed.

DAVID MURRAY

Book Reviews are on Page 14

rt Hall/Radio 3

Brian and Britten

Charles Groves presides vuncular generosity over and rare revivals. Tues- From found him conduct- e Royal Liverpool Phil- ic in two of the latter: -year-old Britten's song *ur Hunting Fathers*, and year-old Havergal Brian's Symphony (a middle- work, so to speak—there more Brian symphonies). They were preceded e Beethoven Seventh, erhaps went off the boil a 15 minute wait for two trumpets. It began with decorous Vivace, and the exuberance of the work to be felt only towards l of the Finale; but the movement, taken at a Allegretto, was blessedly ntous and graceful.

's text for *Our Hunting* , partly drawn from roft and Anon, is coldly beady-eyed and ine. A Prologue and e, too intricately clever setting by anyone but mourn our lost, gory s with inhuman es. Between them come ecclesiastical formula for rats, a threnody over a nkey, and "Hawking for the Partridge," a virtuoso scena which culminates in a seething rout. It still sounds brilliantly startling, and Heather Harper sang it, splendidly, in the right jugular vein.

Devotedly presented by Groves, the Brian Ninth provided another reason for refusing to let its composer be placed among the isolated eccentrics. A continuous three-movement work for large orchestra, it proved to be neither grandiose nor obsessive, but toughly argued and quite underivative. Its phrase-shapes locate it somewhere on the fringes of the broadly German symphonic tradition, but the development tells its own, entirely individual story. All of it is musical prose: it sings only a little, and never dances. But it is all worked out for a public—there is no sense of private and peculiar meanings. Its most surprising feature is the amount of thematic life given to the bottom of the orchestra, though the orchestral treatment is strictly a matter of articulating the music (the Finale has some grittily unidiomatic writing). Not just interesting, but impressive: the Havergal Brian Centenary Festival this autumn will not be a waste of time.

DAVID MURRAY

John Stoddart's costume designs for Donna Elvira, Don Giovanni and Donna Anna in the new English National Opera production of 'Don Giovanni' which opens at the Coliseum on August 26. The conductor is Charles Mackerras and the producer Anthony Besch

Record Review

New light on Bach

by NICHOLAS KENYON

J. S. BACH:
Cantatas Vol. 12: BWV 43-46. Jelostis / Esswood / Equiluz / van der Meer/Weiner Sängerknaben and Chorus/Concentus Musicus Wien/Harnoncourt (BWV 43-4). Jacobs/Equiluz/Kunz/Knabenchor Hannover/Leonhardt Consort/Leonhardt (BWV 45-6). Telefunken Das Alte Werk Ex. 6.35283, two records, £5.98
Organ Works Vol. 9: Clavierübung Part III, Michel Chapuis. Telefunken Das Alte Werk EK 6.35084, two records, £5.98
The Eighteen Chorale Preludes BWV 651-668 (with chorales). Hurford/The Alban Singers. Argo ZRG 843/4, two records, £6.50
Harpsichord Concertos BWV 1052-1058, 1060-1061. Malcolm/Preston / Menuhin Festival Orchestra/Menuhin. EMI SLS 5039, three records, £6.60
Concertos from BWV 1053, 1055, 1063. Black/ Kaine/Bennett/ Academy of St. Martins-in-the-Fields/Marriner. Argo ZRG 821, £3.25. Cassette no. K2RC, £3.50
Brandenburg Concertos BWV 1046-1051. Soloists / English Chamber Orchestra/Leppard. *Philips 6747 166, two records, £4.80*

It is no exaggeration to say that there has been a revolution in our understanding of Bach's genius during the last twenty years. Musicologists, subjecting the source material to new scrutiny, have come to conclusions which completely alter the accepted view of Bach's life and pattern of work. Performers, experimenting with the instruments and playing methods of the past, have produced new realisations of his music which challenge old assumptions about how it ought to sound.

These two radical movements have both found a focus in work on Bach's cantatas. Telefunken's projected complete series of recordings, now reaching the quarter-way mark, is using only original-instrument performances: at present (as in this twelfth volume) shared between the ensembles of Nikolaus Harnoncourt and Gustav Leonhardt. And the notes for these recordings are provided by Alfred Dürr, the senior Bach scholar who with Georg von Dadelsen has established that far from being devoted to cantata composition throughout his life, Bach wrote virtually all his original cantatas before arriving in Leipzig and then (in a burst of frenetic activity) in his first three years as Thomascantor. After that his increasing disillusion with the church authorities, which we can read all too clearly in his letters and complaints, made him turn away from liturgical music for much of the remaining fifteen years of his life.

Thus the four cantatas recorded here are all dated between 1723 and 1726, two from the first year's weekly cycle and two from the last. The former are fascinating works: under Harnoncourt's direction 'Sie werden euch in den Bann tun' (BWV 44) emerges with a dark and reedy sound, its dramatic opening duet and chorus (reminiscent of the crowd choruses in the Passions) gaining from the incisive original oboes and strings. In Leonhardt's performance of 'Schauet doch und sehet' (BWV 46), the authentic flutes penetrate the single strings in a way not often heard in the opening chorus's other existence—as the 'Qui Tollis' of the B minor Mass. The two 1726 cantatas are superb works: Leonhardt has the edge here in the lyrical vivacity of his string playing in 'Es ist dir gesagt' (BWV 45), and Hanns-Friedrich Kunz is an excellent addition to the usual solo team of Jacobs and Equiluz. Harnoncourt can't get clarity and depth from the Vienna Boys' Choir in the opening of 'Gott fahret auf mit Jauchzen' (BWV 43), but the authentic trumpet playing has improved much since earlier records, and the oboes blend wonderfully with Paul Esswood in the alto aria. With a change of choral singers, this cantata series would become unbeatable; at present it offers many new insights and some marvellous moments.

Musicology and performance have also joined to change our notions about Bach's "late" organ music. It too was probably written in the middle of Bach's life, and only collected for publication later on. Robin Leaver in a recent *Organ Yearbook* has convincingly argued that the Clavierübung Part III, the latest in Michel Chapuis's complete recording of the organ works, was compiled for the bicentenary celebrations of the coming of the Reformation to Leipzig. Its puzzling structure has a parallel with Luther's large and small catechisms. Unlike some of Bach's compilations, I've found it a satisfying work to listen to as a whole—but not in this performance. Though Chapuis uses a splendidly gritty modern baroque organ in Westfalen, his splashy and unarticulated playing ruins the rhythmic power of the "St. Anne" Prelude and Fuge which frames the collection, and he often plays breathlessly in the light pieces and heavily in the slower ones. This Telefunken series is in no sense a worthy companion to the cantatas.

It's a relief to turn to the clean and careful playing of Peter Hurford in his complete version of "the Eighteen"—another late collection which Stephen Daw shows in his authoritative note (would that all sleeve-notes were so thorough) was mostly written before 1730. I find the organ of Washington's Unitarian Church rather clinical, its vibratos too wide; and Hurford's choice of full organ stops rather too full; but the sound is still worlds ahead of most Bach performances, and the playing is continually alive.

How many Bach records sound thick and dull after those of Harnoncourt and Leonhardt! Among the remainder of this group I can only feel enthusiastic about George Malcolm's set of solo concertos for harpsichord. Here profound musical understanding and a tightness of delivery remove all doubts about the sound of the harpsichord or about the surprisingly incisive Menhuin Chamber Orchestra. These works, dashed off by Bach for his sons and pupils to play at the Leipzig Musical Society, and usually arranged from earlier violin concertos, show Bach's idiomatic skill in re-writing for the keyboard: the D major version of the E major violin concerto deserves to be heard more often, and is here played with Malcolm's unique combination of brilliance, control and sensitivity. Equally enjoyable are the two duet concertos with Simon Preston (though why no stereo separation?) and the re-arranged Fourth Brandenburg Concerto with the late, lamented, David Munrow and his partner John Turner.

The reverse of the arrangement process is heard on the Academy of St. Martins-in-the-Fields' disc. Here the *presumed* originals of three harpsichord concertos have been reconstructed for other instruments by Christopher Hogwood, who contributes a very literate note which ought to acknowledge that the idea has been tried before (authoritative versions appear in the *Neue Bach-Ausgabe*). The playing is pretty, full of luciously sustained legato in the slow movements and of artificially pointed staccato in the fast movements: far too rich a sound for my ears.

Finally, a new version of the most-recorded of all Bach's collections, the Brandenburg Concertos, which now must have only slightly fewer versions in the catalogue than Beethoven's Fifth. Raymond Leppard invests the six concertos with fast, chugging ryhthms, and the whole has a pert gaiety which removes lyrical inflection and replaces it with expressive bulges. The ECO plays in familiar style—richly, with warm vibrato and a solid, resonating bass line: just the way we always knew Bach sounded—twenty years ago.

Sadler's Wells Theatre

Robinson Crusoe

The second production of the short London Opera Centre season at Sadler's Wells is a repeat of Offenbach's *Robinson Crusoe*, a long-buried treasure snatched from under the LOC's nose by Opera Rara for the 1973 Camden Festival but duly returned to them. Only right and proper—the score is delightful, William Chappell's production and Anthony Holland's sets and costumes, equally successful for the opening act in the Crusoe's Bristol parlour and for the desert island, Don White's amusing translation, are all well above the general level of operetta staging to-day.

No doubt one reason is that *Crusoe* is not strictly speaking operetta but comic opera, written for the Opéra-Comique in Paris which Offenbach, undisputed sovereign of the boulevards, longed to conquer—he must have known he had more genius than any French composer writing for that theatre with the exception of Bizet, whose luck there was not much greater than his own. *Crusoe* was given in 1867 (it comes between *The Grand Duchess* and *La Périchole*, when Offenbach's powers were at their height) and was received well but without enough success to break the barrier permanently.

The origins of *Crusoe* explain the (by Offenbach's standards) quiet mood of the first act: with tea-table prattle and dreams of the sea in an 18th century drawing-room. Even when the scene moves to the other side of the Atlantic and the action becomes full of zany inconsequence (the heroine, mistaken for a goddess and about to be ritually butchered, swings the company into a giddy waltz tune), the presence of a larger orchestra than his usual type of theatre could afford or accommodate invited him to rich scoring, to a vein of sentiment without satire which he did not often have opportunities to explore in the famous *opéras-bouffe*, and brings tune after tune and happy inventions galore tumbling out of his sleeve.

Tuesday's performance apart from a surprisingly general tendency to sing below the note, went pretty well. John Treleaven, who looks like Siegmunds ought to but don't any longer, was the Robinson in this cast—he has a tenor voice of distinct promise not always discreetly used but warm and strong, with an ease of diction and phrasing that were often taking. His fiancée Edwige, who follows him across the ocean, was Pamela Brady. She is becoming a stylish, elegant singer and actress. There were some moments of edgy tone, and the glide into the waltz number was not made with enough slyness, but the general effect was excellent.

Praise to Rosemary Ashe and Edmund Barham as the junior couple and to John Farnsworth as Jim Cocks the Bristol lad turned cannibal cook ("Shepherd's Pie with real shepherds!"). The plus role, in which Sandra Browne made an unforgettable debut, is the travesti Man Friday. Carolyn Allen has the right looks and the right ideas but not all the vocal means to complete them—there was a disturbing flutter in the tone. The cannibals and pirates came from the Guildhall School of Music, the orchestra was the Academy of the BBC. Marcus Dods conducted. Further performances (including, as usual, some cast changes) tomorrow and Saturday. Worth seeing.

RONALD CRICHTON

Half Moon

Canning Town Cowboy

Eddie Longbottom is a Billy Liar of Canning Town who seeks refuge from his unfortunate name and the need to work in some not very outlandish Wild West fantasies: his bicycle becomes his trusty steed and Briggs, the wide boy hanging around his widowed mother, is cast as a no-good varmint to be driven out of town. Briggs also owns a slum property inhabited by a cheerful wino and is therefore doubly despicable. Eddie's long suffering girlfriend with Polish blood puts up with Country and Western serenading by the gasometer; and the Bow Creek Kid is on the run from a numbskull constable as a result of firing pellets at a neighbour's domestic animals.

Shane Connaughton's slight pantomime script makes little of the contrast between life and fantasy, opting for a succession of mildly amusing sketches featuring our hero at the Labour Exchange, the asbestos factory, the local bank and the Lyceum ballroom. Pam Brighton's jolly production is full of jolly performances by such reliable stalwarts as Mary Sheen, John Joyce, Alan Devlin and Derek Deadman. And, as Eddie, Chris Martin sings in the sort of nasally tuneful manner practised by Max Bygraves; his best moments come when expending brusque energy in lassooing a chair as substitute longhorn, or delivering a fatal shot to his bike, mangled by a runaway car in an act of pedestrian charity.

John Wayne appears in a blue spotlight to dispel the Western myths that Eddie is using to feed an ambition of filming an epic on Hackney Marshes. Amateur cowboys in Tuesday's audience whooped and cheered at the music and one of their number, Geoff from Bromley, fought it out with the Kid at a suddenly concocted church fair duel.

MICHAEL COVENEY

Venice Biennale

The British and Greek Pavilions

by WILLIAM PACKER

Venice Biennale is open an international festival visual arts and architec- heatre, music, film and that will extend, for the art, well into October. is on at all must be as relief to its organisers a surprise to its visitors, whole idea of the Bien- d seemed moribund, can- last time, two years ago, esult of political demon- s and suffering post- nt this year to avoid the elections. Six months seemed most improbable would revive. But it has, iderable achievement in nd it opened confidently, exactly triumphantly, in y orgy of administrative and confusion, and good The excellent general ue was produced from jurer's hat hours rather ys late, and to universal more applause, for only ost credulous really be- that there was *anything* at all. The three days s views were chaotic, the ne the most reliable of information, telling us shows were open, where ere, and when best to em for both corporal and ic refreshment. But, if re hot, we were seldom d by the inefficiency, the that never arrived, the ranks that had all gone, ess releases that were impenetrable: and Venice are to console us when .

hat is part of the trouble, with the visual side of for, take all the work nd them, shall we say, and just as effectively, the awful inadequacy of so much of it would be less easy to tolerate. There are several excellent exhibitions, of course, but none of which we might say: this marks a significant new direction, or a definitive critical judgement. Among the official shows are some of the better things: "Fascist Architecture" in the church of San Lorenzo, "Man Ray" on the island of San Giorgio Maggiore, and, in the main pavilion in the Giardini, a curious but stimulating examination of the work of the Spanish avant-garde during the past forty years—more of these another time.

For the rest, however, it is a very mixed affair, treating us repeatedly to painting that is affected, meretricious, badly drawn (the best drawings on show are in San Lorenzo), and sculpture that is weakly fashionable, or academically avant-garde. Most of the national pavilions are dull, some of them odd, some disgraceful: and in these circumstances, the British Pavilion on its hill-top shines out like a good deed in a naughty world, a beacon to good taste and the perfect manners that gently upstage everyone else. It is given over entirely to a single work by the young sculptor, Richard Long, an artist with a blooming reputation abroad, and powerful friends at home. The choice of him by the British Council to represent us is the safest possible, entirely predictable, and, in the context of the Biennale, fully justifiable.

Long is a sculptor whose material is the landscape, which he appropriates and modifies directly, through his own immediate activity. His works are memorials to his passage across the surface of the earth, often through its remotest regions. He uses the material that comes to hand, as the climber builds a cairn of stones to celebrate his self-conscious presence and achievement. The subtle realignment of drift-wood, a foot-path through the grass, a circle of stones, a spiral marked in the sand; these are the things he makes; and in every case, unless we are fortunate enough to follow the same trail, before Time and Nature obliterate it, the only way we know of them is through the photographs and maps that Long takes care to show us.

And when he makes sculpture to show in the gallery, custom-built though it is for the occasion, he contrives to hint, nevertheless, that this is not quite the real thing, no matter how austerely elegant and precious the thing appears. In Venice he has made a square spiral, consisting of six hundred and eight irregularly shaped pieces of pink stone, that encompasses *all* the galleries in the Pavilion, starting and ending in the entrance hall. It is a seductive, even beautiful coup d'exposition; but facile too, and after a while it begins to pall. In piling a heap of stones at the Public's feet, Long makes a fair point: that we might all do the same (as though we have never drawn in the sand, or moved a stone). But at the same time he asks for rather more than that: he asks us to acknowledge the particularity of his vision, the refinement of his sensibility; in short the experience of a brief lifetime.

The Greek Pavilion, in the furthest corner of the Giardini, is also full of sculpture, the work of two expatriate Greeks, Aglaia *Liberaki*, who lives in Paris, and Michael Michaeledes, who has lived and worked in London for many years. Miss Liberaki is a carver and modeller, unoriginal perhaps, but of considerable refinement, closer in feeling to Moore and Hepworth than to any younger generation.

Michaeledes is altogether more singular. He is a painter turned sculptor, who has made the Relief his especial concern, and his work is familiar to us in London through the shows he has with Annely Juda. But, though we take other foreigners to our official bosom, he has had scant encouragement from our cultural establishment, despite his deep and regular involvement with English art at large. Recognition at this level is no more than his due, and besides, a gentle reproach to us.

His method is peculiar to himself, unprimed cotton duck is stretched across a complex wooden support, tight against the sharp obtruding edges, and then moving away, curving and swelling towards the next point of tension, the form cast into high relief by the gentle raking light. Each work consists of several panels butted together, that develop sequences of proportion or disposition, complicated and enriched by the fall of shadow and the variable reflection of light. The panels move out from the wall to invade floor and ceiling, lately becoming all but free standing objects, unmistakably sculptural (for the relief was always an ambiguous form). Together they make a most distinguished contribution to the Biennale.

WORLD TRADE NEWS

Iran halts French turbo-train programme

BY ROBERT GRAHAM — TEHRAN, July 28.

IRAN HAS decided to drop its option to purchase 18 turbo-trains from France worth some $130m. This was revealed in an interview given in the local Press here by the managing director of the State railways, Mr. Khosrow Pakdaman.

Iran has so far purchased four turbo-trains at over $7m. each. Since the start the train has proved both technically difficult to maintain and ill adapted to the climate and track conditions in Iran. Currently all four are out of service and have been so for a month. Mr. Pakdaman said that it would be at least another week before they were operational again.

He maintained that the engines had experienced technical problems and certain facilities such as the air conditioning had caused nothing but trouble since the trains had started operating on their routes between Tehran and Meshad and Tehran/Isfahan. He said there was no immediate requirement for the 18 turbo trains and Iran had dropped its option. If Iran decided to buy more of such rolling stock the trains would have to be modified, he said.

The turbo-train was one of the first substantial items sold by France in a major sales drive to gain a bigger share in Iran's new-found oil wealth three years ago. According to those familiar with the turbo-train in Iran, the track has never permitted speeds to go above 120 km per hour when the maximum speed—and the whole point of the high speed train—is around 220 km per hour. It has also required extensive technical back-up.

The turbo-train has been seen here as something of a prestige project. The decision to cutback on the turbo-train programme is part of a major rationalisation and re-organisation of the railway's announced just over a month ago. Part and parcel of this scheme is to incorporate the state railways authority into a joint stock company with a $14m. capital.

A streamlining of the state authority was recognised in view of the tremendous expansion envisaged, coupled with the existing overloading of the system. Last year freight and passenger traffic increased by almost 50 per cent.

Czech sales to West disappoint

BY PAUL LENDVAI — VIENNA, July 28.

CZECHOSLOVAK exports to the West during the first half of 1976 were almost five per cent. down compared to the same *period last year and fell short* of targets set by the 1976 plan. This was stated by foreign trade Minister Mr. Andrej Barcak in an interview with CTK, the Prague news agency.

The Minister called for a higher degree of co-operation between industry and foreign trade. Agreements on mutual co-operation should be concluded between foreign trade and production enterprises with regard to the fulfilment of the export tasks as laid down in the new Five Year Plan. Mr. Barcak also stressed that the quality of export products should be improved in order to become fully competitive in foreign markets.

The export plan was fulfilled only to 48.3 per cent. during the January-June period, due to disappointing performance of exports to the West. With re*gard to the Comecon countries*, planned fulfilment was satisfactory, the Minister said, revealing that compared to the same period last year exports were up by 12 per cent.

The setbacks on Western markets cause much more serious problems for Czechoslovakia than in the past, the Minister complained, because of the economic recession in the capitalist countries. Sales opportunities for machine tools, some types of textile machinery and textiles, furniture and certain items of electrical engineering *have deteriorated. However it is* possible to increase exports of tractors, printing machinery, roller bearings, rolled steel, footwear and certain chemicals, he concluded.

Bulgaria, Romania sign pacts

BY OUR VIENNA CORRESPONDENT — VIENNE, July 28.

EIGHT IMPORTANT agreements have been signed this week in Sofia between the two neighbouring Balkan countries, Romania and Bulgaria for economic, technical and scientific co-operation. The Prime Ministers of the two countries *Mr. Manea Manescu of Romania* and Mr. Stanko Podorov of Bulgaria also agreed during their talks to speed up preparations for a giant hydro-electric project on the Danube and on measures concerning the transmission of power from the Soviet Union to Bulgaria through Romanian territory.

The present visit of the Romanian leader is in line with the agreement of February 1975 to have regular twice-yearly consultations at summit level. Bilateral trade will double during 1976-80 to almost Roubles10bn. compared to the previous five year period, with machinery and equipment reaching 60 per cent. *of mutual deliveries.*

Agreements have now been signed about the building of a joint engineering plant in the Giu-Ruse area on specialisation in steel and non-ferrous metal industries, rubber and petrochemical production and on co-operation in telecommunications. Though most of these projects, including the transmission of Soviet power through Romania to Bulgaria had already been announced during Mr. Zhivkov's visit to Bucharest in June, 1975, the two Governments have evidently now moved towards concrete preparations for realisation of the plans.

The two Prime Ministers also outlined "new and complete steps" to further develop co-operation, including the continued building of joint industrial projects in both countries. The Danube hydro-electrical project was originally planned to be completed by 1980 with an annual output of 2bn. kwh per annum.

U.K. TEXTILES

Surge in Chinese shirt imports

BY RHYS DAVID

CHINA IS emerging as a growing new exporter of clothing to Britain with shirt arrivals in May totalling 270,000 compared with 170,000 in the whole of last year, the Department of Trade's import surveillance exercise has revealed.

The new problem caused by China, which in the previous four months of 1976 had exported around 200,000 shirts to Britain, was among points raised at a meeting between Mr. Edmund Dell, Secretary for Trade, and representatives of the U.K. clothing industry and unions and an all-party delegation of MPs. Increased shirt imports from other sources and the continuing high level of suit imports were also discussed.

The meeting had been called for by the industry, which is concerned that imports of textiles and clothing are continuing to increase their penetration of the U.K. market, even though a new framework for regulating international textile trading now exists through the GATT Multi Fibre Arrangement.

The industry is understood to have stressed to Mr. Dell, who was accompanied by two junior ministers, Mr. Michael Meacher from Trade and Mr. Alan Williams from the Department of Industry, the need for substantial modification of the MFA when the next stage is due for negotiation towards the end of this year, and for further short-term action to help the textile and clothing industry cope with more immediate problems.

The increased imports from China were quoted by the industry as an example of the advantage which can be taken *of gaps in the present MFA* coverage. Because it has not been a major exporter of textiles in the past China is not included in the EEC's existing MFA agreements and has been able to step up exports this year. Other countries which have increased their shirt exports substantially include Portugal, again not a party to an MFA deal with the EEC because of its status as a member of the old EFTA grouping, and Poland, again not included in an agreement so far.

There is also concern that a clause in the MFA agreement with India which excludes "craft" garments from quota restriction is being abused to increase the number of manufactured shirts being exported to Europe.

Though Mr. Dell, who with his predecessors has seen a number of delegations from textiles in recent years, was unable to give any assurances of action, the industry's representatives were encouraged at the meeting to come back with further information and were told that the Government would look at what measures could be taken.

The industry has been given the impression that where evidence does emerge of damage being caused by imports not covered by present restrictions the Government may be prepared to use other powers at its disposal, as in the case of the quotas placed earlier this year on East European suit imports.

The delegation reiterated the call made over the past month by several sections of the U.K. textile industry for substantial modifications in the MFA including the introduction of a recession clause which would relate the growth in imports to the growth in the size of the market. The industry also wants to see global quotas which would set a fixed maximum on the increase of imports which would be allowed to enter Europe.

The Government's position *remains that substantial* renegotiation could create more problems than it would solve, but Mr. Dell is understood to have told the industry representatives that there was a degree of acceptance within the Community of the British case for some changes to be made.

He also gave assurances that the DoT's surveillance licensing system which got off to a slow start last year because of computer problems was now working properly and was capable of supplying the Government quickly with the data required to build-up a picture of trends within textile imports.

U.K. retains surcharge on Brazilian shoe imports

By Hugh O'Shaughnessy

IMPORT SURCHARGES of 8 per cent. are to be imposed on men's leather fashion footware imported from Brazil, the Department of Trade announced yesterday.

After complaints by the British shoe industry provisional surcharges of 16 per cent. were imposed on Brazilian men's leather fashion *footwear* at the end of April pending a full investigation by the Department.

This investigation, which included the visit of a Government mission to Brazil, found that Brazilian exporters were receiving a double benefit from the Brazilian authorities — a tax relief backed up by a tax rebate. This subsidisation was seen to be hitting British manufacturers hard and it was decided to confirm the surcharges. However, as a result of representations from Brazil the rate of surcharge was cut in half.

This is the first time that Britain has moved to protect a British industry against this form of subsidised competition.

Though it is very difficult to arrive at sound *comparisons* of the month by month imports because of the existence of a buying season, the flood of cheap Brazilian men's shoes appears to have abated a little in the three months since the provisional surcharges were imposed. In the four months till the end of April leather footwear of all types from Brazil totalled £1.8m. while in the six months till the end of June the total came to only £2m.

Meanwhile, in an effort to boost its shoe industry, Brazil *has banned the export of leather.*

The Department of Trade is continuing its investigations into dumping of ophthalmic lenses on the British market by the Brazilian industry.

The 8 per cent. duty will bring the Brazilian price up to the ex-factory price of a comparable pair of British shoes.

Consortium to sell airport equipment

By Michael Donne

FIVE LEADING U.K. airport equipment manufacturers have formed a new consortium, the British Airport Equipment group, aimed at winning a bigger share of the rapidly expanding market in airport equipment throughout the world, but especially in "third world" *countries.*

The companies are Reliance-Mercury, of Halifax; Albar Engineering, of Keighley; ACS Engineering Sales, of Stamford; Norwich Coachworks, of Norwich; and Power Lifts, of Watford. Chairman of the group for the first year is Mr. Alan Buckley, director and chief executive of Reliance-Mercury.

The BAE's aim is to bring considerable savings in time and cost to overseas authorities who have hitherto been faced with *many separate researches and* negotiations in procuring airport equipment.

An especial part of the BAE's capacity is that it can call on consultants specialising in many other aspects of airport planning, construction and operation, to offer would-be purchasers a complete "airports package."

"Reliance-Mercury's own overseas *marketing* has shown the enormous potential that exists for a properly co-ordinated range of British airport equipment," says Mr. Buckley.

"Monthly enquiries received have constantly totalled many millions of pounds. This trend is likely to increase as developing countries announce further projects.

Henry Boot wins H.K. metro contract

Financial Times Reporter

HENRY BOOT Construction in a joint venture with Gammon (Hong Kong), has been awarded the contract, understood to be worth £10m., for laying the entire 50 kilometres of track for *the Hong Kong underground* railway scheme. "With other contracts already announced, British Engineering companies have now won jobs worth well over £100m. for the Hong Kong metro," a Hong Kong Government spokesman said in London.

It is understood that the value of the contract to Henry Boot Construction's U.K. suppliers, including the British Steel Corporation, will be about £4m. Gammon (Hong Kong) will be responsible for carrying out the works associated with the contract in Hong Kong. The contract is due to be completed by the middle of 1979, and the initial system of the Hong Kong Metro will be in full operation by March, 1980.

Consulting engineers for the Hong Kong Metro are Freeman Fox and Partners, of London.

Japanese imports move

Tokyo, July 27.

THE Japanese Ministry of *International Trade and Industry* said it has asked the Finance Ministry and the Bank of Japan for action to encourage import financing in yen to boost the country's imports, Reuter reports from Tokyo.

The Ministry said it has also proposed joint studies on steps to ease international difficulties caused by the continued expansion of Japanese exports.

Plans to help imports would involve encouraging Japanese *importers to take advantage of* the lower interest rates on yen funds compared with dollars to shift their financing from short-term dollar trade credits, it said.

AMERICAN NEWS

ALASKA OIL

Problems of a pipeline

BY DAVID BELL IN WASHINGTON

THE Trans-Alaska Pipeline, which stretches across 800 miles of bleak terrain in America's largest and wildest state, is supposed to be the most carefully built, closely monitored oil pipeline ever constructed.

After years of opposition from environmentalists, it was finally given the go-ahead three years ago on the strict understanding *that it would be built according* to the most stringent standards. It is still scheduled to begin carrying oil in the middle of next year and the current estimate is that it will have cost at least $7.7bn. by the time it is finished. That already makes it $6.8bn. more expensive than the original estimate and comfortably the most expensive oil pipeline ever built.

But in the past few weeks there have been increasing doubts that the line—now more than half complete—will still be able to open on time and there has been growing concern about whether it has in fact been built *according to the standards set* for it. These doubts have yet to be resolved but they have already had a noticeable effect on the share price of British Petroleum, which originally discovered oil on the Alaskan North Slope and is heavily committed to the project.

Indeed the doubts expressed in Washington and elsewhere involve more than the safety of the pipeline. It is, for instance, *still unclear what will happen* to the 1.2m. barrels of oil which the line is expected to be carrying by late next year. The California market, for which much of the oil is intended, cannot absorb all of it and there are *some signs that the companies* may have problems either in sending it elsewhere in the country through pipelines or in selling it on other world markets.

Last summer scattered reports began to come from Alaska that Alyeska, the company building the pipeline on behalf of eight oil companies, was having doubts about the quality of some of the X-rays which it had had made of every weld along the 800 mile line. Then, last September, an employee of one of the sub-contractors taking the X-rays filed a suit in Anchorage alleging that he had been forced to falsify some three dozen weld X-rays or radiographs.

By that time Alyeska had already begun a check first of welds on that section and later of all 31,000 made last year. In *December Ketchbaw, the sub*contractor, was suspended and in February this year Alyeska sued Ketchbaw, alleging breach of contract. (Ketchbaw has since counter-sued, claiming it was being made a scapegoat.) In the same month, while the welds were still being checked, 358 X-rays mysteriously disappeared from a construction camp after they had been re-examined by Alyeska. An intensive police search failed to uncover the motive, the thieves or the X-rays.

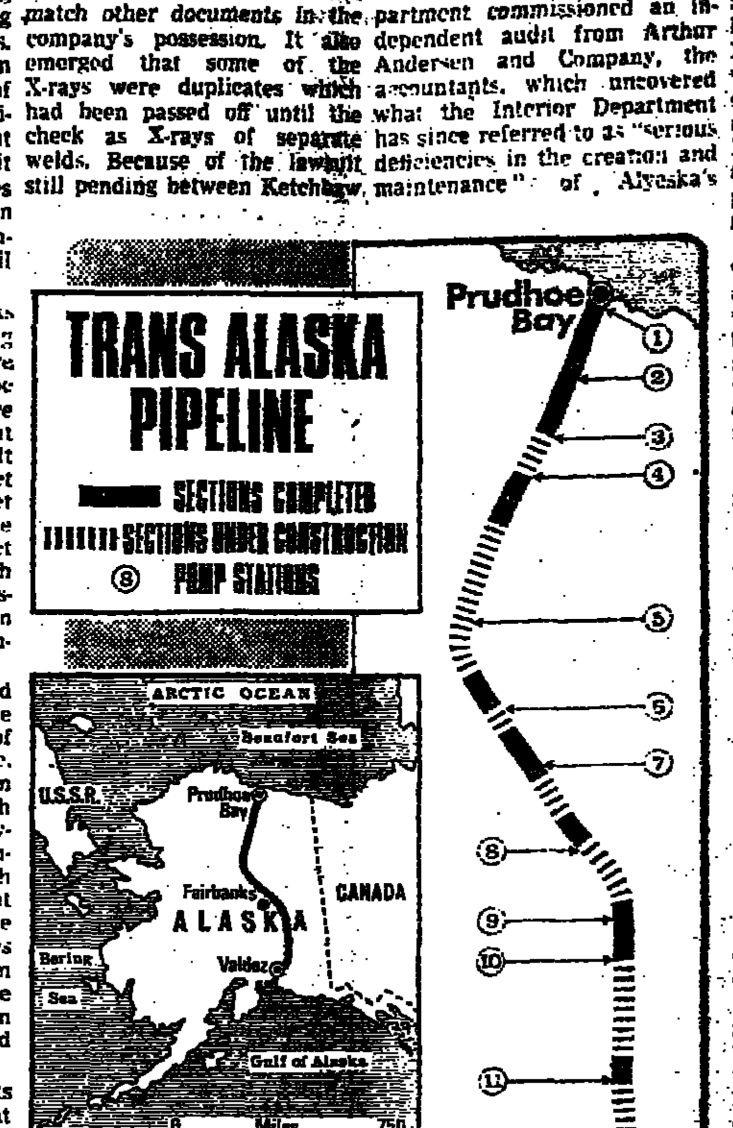
This spring Alyeska completed its checks and concluded that 3,955 welds were "questionable," that is that the X-rays either showed faults, or were incomplete, or did not appear to match the welds, or did not *match other documents in the* company's possession. It also emerged that some of the X-rays were duplicates which had been passed off until the check as X-rays of separate welds. Because of the lawsuit still pending between Ketchbaw and Alyeska no one is prepared to speculate publicly about how these duplicates got there or why. The U.S. Justice Department is trying to find out.

But there is no shortage of public comment about the fact that no one, including the 60 or so Interior Department officials permanently stationed in Alaska, seems to have spotted what was going on until comparatively *late last year*. And even then it was only last week that the Interior Department announced tough new inspection standards for the weld X-rays.

The Interior Department concedes that it, and the State of Alaska inspectors supervising the construction, began to be aware something was amiss last June, but insists that it did not have enough people to keep a constant eye on what was going on. There are about 70 welds to every mile of pipe, and construction was going so fast that the *suspicion remains* that neither the inspectors nor Alyeska's quality control staff were always able to keep up with the pace.

In any event the Interior Department *commissioned* an independent audit from Arthur Andersen and Company, the accountants, which uncovered what the Interior Department has since referred to as "serious deficiencies in the creation and maintenance" of Alyeska's welding records. This in turn prompted President Ford to send a team from the U.S. Department of Transportation, which sets pipeline safety *standards, to Alaska. It returned* this month but has to make public what it found.

To make matters even worse for Alyeska a seven foot section of pipe burst recently while undergoing pressure testing. The company says that an investigation had indicated that a faulty valve had jammed the pressure gauge at an unrepresentatively low level so that none of those watching the test realised that the pipe was actually being subjected to far higher pressure than it was designed to withstand. But the burst is still being analysed and the incident has not increased



Rise in U.S. economic indicators slows

BY DAVID BELL

THE U.S. index of leading economic indicators, which is designed to project future developments in the nation's economy, increased last month by the smallest amount since last November.

The index, which groups together 12 sets of statistics, increased by only 0.3 per cent. and the Commerce Department ment said that revised net new business formation figures had led it to cut the May rise from *1.4 per cent. to 0.7 per cent.* meaning that for the second quarter of the year the index rose 2 per cent. compared with 2.7 per cent. in the first.

The latest figures are subject to revision later and in past months the revised index has been noticeably different from the earlier one so analysts were loth to-day to draw any firm conclusion from the June figures. Some said that they appeared to be in line with the slower growth *rate that the Ford Administration* foresees for the second half of the year, but others noted that they might have been expected to show a steeper rise in advance of the expansion still expected for the third quarter.

The most hopeful sign revealed by the index is that *new orders for plant and* equipment contributed most to its rise, a possible sign that the long awaited increase in capital spending may be on its way. *Other indicators to show*

Carter ponders as rivals fight

BY DAVID BELL — WASHINGTON, July 28.

WHILE the two Republican Presidential candidates are still fighting fiercely for the nomination, Mr. Jimmy Carter, the Democratic nominee, is spending most of this week playing host to a steady stream of policy advisers at his home in Plains, Georgia.

These day-long briefings from *defence, economic and foreign* policy experts serve two carefully calculated purposes. First they underline the fact that Mr. Carter is the undisputed choice of his party in marked contrast to continuing Republican infighting. Second they make it rather harder for the Republicans to claim that Mr. Carter does not have a good enough grasp of the issues facing the country.

In addition the 135 mile bus *trip which all the visitors have* to make from the nearest airport in Atlanta serves gently to remind them, and the evening television news audience, that Mr. Carter is still, if only symbolically now, an "anti-*Washington" candidate. To-day* the Democratic nominee is to receive his second briefing from Mr. George Bush, the director of the Central Intelligence Agency. Mr. Carter prefers the CIA to brief him because the *State Department is still in*volved in day-to-day policy making for the Ford Administration.

The briefings began on Monday when a number of senior Democratic defence experts arrived in the small Georgia hamlet for a day of talks in Mr. Carter's drawing room. They included Mr. Paul Warnke, an Assistant Defence Secretary in the Johnson administration, Mr. Cyrus Vance, former Deputy Secretary of Defence, and some former members of the National Security Council. The discussions touched on a variety of issues and Mr. Carter told reporters afterwards that, if elected, he intends to broaden the scope of the strategic arms talks to include all weapons and not just missiles and numbers. *He said that it was now virtually* impossible for any country to stage a nuclear strike "without unbelievable destruction on the originator of the attack" and that it was important to deduce the quantity of U.S. arms sold overseas and to reorganise America's reserve forces.

Yesterday it was the turn of the Democratic nominees *and of* economic advisers headed by Professor Lawrance Klein of the University of Pennsylvania and President-elect of the American Economic Association. Other advisers include Mr. Arthur Okun, a former chairman of President Johnson's council of economic advisers, the president of the industry oriented conference board and a number of other leading economists.

Mr. Carter's Press secretary said they had a wide ranging discussion on monetary and fiscal policy and the need to make sure that new social programmes "keep within budget limitations." A more detailed briefing is to be held later.

Morgan cuts prime rate

BY JAY PALMER — NEW YORK, July 28.

MORGAN GUARANTY Trust cut its prime lending rate to-day to 7 per cent. from the industry's current average rate of 7¼ per cent.

This reduction, the first by a major bank to this level since *First National of Chicago's* going to 7 per cent. on Monday, was not seen here as a signal of any immediate widespread cut by the rest of the industry. This morning only one small *bank—the Bank of New York—* opted to follow.

However, speculation is increasing that Citibank, which is an acknowledged industry leader and which did not change its rate from 7¼ per cent. late last week, *may now opt to move* lower at the end of this week. This would almost certainly be followed by the rest of the industry.

U.S. nuclear materials 'gone astray'

By Our Washington Staff — WASHINGTON

OAU Secretary hopeful of Uganda-Kenya accord

BY QUENTIN PEEL

NAIROBI, July 28.

SERIOUS effort at finding a .is for mediation in the dis- .e between Kenya and Uganda s launched to-day by Mr. lliam Eteki, secretary general the Organisation of African ity.

Ie flew to Nairobi this after- on on the first leg of a fact- ling trip which will include mpala, and announced that hoped to find some solution the dispute, in which Presi- nt Amin of Uganda claims have been blockaded by nya and reduced to a crisis el of petrol supplies.

Kenya denies the existence of blockade, but insists that anda pays for imports in ance. It has claimed that ge numbers of Kenyans have n massacred in Uganda since Israeli commando raid on ebbe airport on July 4.

Mr. Eteki, who was met by Kenyan foreign minister, Munyua Waiaki, said he had ne "to try to find the means organise a solution" to the dispute. This was in line with OAU policy of settling differences between member states "by mediation and conciliation."

The OAU secretary general said he was hopeful because both countries were committed to the principles of the Organisation, and neither country wanted war. Mr. Eteki has the advantage in his latest role of having worked with President Amin for the past year when the latter was OAU chairman.

He said that he wanted to find a solution which would be long term, although the immediate problem was to solve the tension at the border, and find a solution to Uganda's claim of a Kenyan blockade. Kenya maintains that the real disagreement goes back to the start of the year when President Amin laid claim to large chunks of Kenyan territory.

"We know that Uganda claims to be suffering a blockade, and Uganda comes under the law of landlocked countries," Mr. Eteki said. "We have to know if this is true."

Kenya had shown goodwill in being open to mediation, he added, and the seven conditions which she announced yesterday, including the back payment of debt, and an end to military threat and the persecution of Kenyans in Uganda, would be a good basis on which to try to organise mediation.

Mr. Eteki gave no firm indication of his future movements, except to say that he plans to see the Ugandan authorities after talking to Kenya.

Meanwhile the chairman of Kenya's national electricity company urged consumers to be careful in their use of power, although he insisted that the loss of hydroelectric supplies from Uganda, which were cut off at the week-end, would not leave anyone without power. Kenya had enough reserve capacity to cope, but the cost of running oil-fired generators would be greater, he said.

Remaining Britons in Uganda hopeful

By Our Foreign Staff

THE BREAK in relations with Uganda has not placed British missionaries who make up most of the remaining 220 Britons there, in any immediate danger, as far as the missionary societies in London can judge.

A spokesman for the Church Missionary Society, which has 33 missionaries in Uganda, said yesterday that according to first hand reports "the situation is much the same that it has always been. The people there seem to appreciate the jobs the missionaries are able to do—mostly in specialist fields." The Catholic Mill Hill Fathers admitted getting reports of food and petrol shortages, but a spokesman reiterated the group's policy of letting the people on the spot make the decisions whether to leave or not.

When the latest row between Britain and Uganda blew up a month ago, there were only 11 Britons — teachers and the odd technical expert — who were getting their Ugandan Government salaries "topped up" by Britain, under the Overseas Service Aid Scheme, at a cost of £40,000 a year. Some of these 11 are believed to have left now, but it was emphasised in London yesterday that the "topping up" to the remainder would continue because this was money paid direct to the individuals and not to the Ugandan government.

British investment in Uganda now only amounts to a residue of between £10 and £20m. And trade is tiny too. Last year Britain exported only £7m. worth of goods, mainly machinery, and imported £20m., mainly coffee. Within the last month most British head offices have recalled, or are recalling, their British staff from Uganda although a spokesman in London for Grindlays Bank — which along with Barclays and Standard and Chartered are the only British banks operating in Uganda — said last night its British general manager would be staying on in Kampala.

PLO and its Lebanese allies seek changes in peace pact

BY IHSAN HIJAZI

BEIRUT, July 28.

THE PALESTINE Liberation Organisation and its Lebanese allies are seeking changes in the "draft agreement" which was worked out in Damascus during talks between Mr. Abdel Halim Khaddam, the Syrian Foreign Minister, and Mr. Farouk Kaddoumi, head of the PLO's political department, in Damascus two days ago.

The changes were proposed at a series of meetings held here throughout yesterday by guerilla leaders headed by Mr. Yassir Arafat, chairman of the PLO, and representatives of the Lebanese Left-wing - Moslem alliance led by Mr. Kamal Jumblatt.

There are indications that the U.S. and the Soviet Union may be co-operating to bring pressure on the conflicting parties to bring about a settlement. At the week-end both the American and Russian Ambassadors to Syria, Mr. Richard Murphy and Mr. Noureddin Mohiedinov, were recalled home for consultations.

Mr. Jumblatt objected that the Syrian-Palestinian draft agreement made no reference to withdrawal of Syrian troops from the Lebanon. The Moslem-Left alliance was reported to have criticised Syria's insistence that the reform programme agreed in February to by Mr. Suleiman Franjieh, the titular President of the Lebanon, should be the main topic on the agenda of the proposed round-table conference of the warring factions, which would be called to discuss a political settlement to the 16-month civil war.

According to Beirut Press reports, Syria has pledged verbally to withdraw its troops in the near future only from Sofar, the commanding position overlooking Beirut, to the Bekaa Valley behind the mountain range. The Moslem Left is also said to be angered that the accord puts the Palestinian aspect of the crisis before its own preoccupations.

Among them is the so-called "constitutional document" hammered out by Mr. Franjieh and the Syrians. The Moslem Left rejected it, claiming it would consecrate rather than eliminate Lebanon's system of distributing ministerial and other positions along religious lines.

Mr. Kaddoumi will ask the Syrians to delay the establishment of the proposed Palestinian-Lebanese committee to implement the 1969 Cairo accords—which were drawn up to regulate the guerilla presence in the country—until Mr. Elias Sarkis, the President-elect, takes office in the last week in September on the formal expiry of Mr. Franjieh's term. The Christian Right has received Syrian backing for its insistence that the accords should be observed as part of a settlement.

The PLO appears willing to accept the Syrian terms because the alternative would be an outright military confrontation with the 15,000 Syrian troops now in this country.

Louis Fares reports from Damascus: The Right-wing Christian emisaries who arrived here earlier in the week continue to repeat assurances said to have been given by President Assad that "the presence in Lebanon of Syrian troops is not negotiable." They also say that the Christian alliance will continue to fight until the road from Naaba to East Beirut and the highway from Damascus to Jounieh through Antourah is reopened.

Because of the objections raised in Beirut about the draft agreement the expected visit here of Mr. Arafat has been postponed.

The International Red Cross said that it planned to start its long-delayed evacuation of the estimated 1,000 wounded Palestinians from the beleaguered Tel al Zaatar refugee camp tomorrow.

Malaysian Premier warns oil groups

KUALA LUMPUR, July 28.

MALAYSIAN Prime Minister Datuk Hussein has warned foreign oil companies that his Government might take over their production rights in Malaysia if they failed to reach a production sharing agreement with the National Oil Company, Petronas.

Datuk Hussein delivered the warning in a meeting with senior oil company executives aimed at breaking a 15-month deadlock in *production sharing negotiations* between the companies and Petronas.

The Prime Minister's statement, published here to-night, gave no indication of a deadline for the negotiations.

But oil industry sources said the Government set November 15 as the date by which an agreement should be reached. Reuter.

Angola ban

Angola has temporarily stopped foreigners entering the country, the Yugoslav News Agency Tanjug reported from Luanda, reports Reuter from Belgrade.

Tanjug quoted Prime Minister Lopo Do Nascimento as saying the ban was necessary because of a large and uncontrolled influx of returning Angolan refugees from Portugal.

Bangladesh aim

President Abu Sadat Mohammed Sayem of Bangladesh has reaffirmed his commitment to return his country to a parliamentary form of government through a general election in February next year, reports Reuter from Dacca.

In a meeting last night with the county's top political leaders, he said that political activities would be resumed on August 15, the date he set soon after he assumed the Presidency last November.

The official Bangladesh News Agency (BSS) quoted political leaders as asking the Government not to allow "unbridled political activities." They suggested that initially all political meetings should be held indoors.

Problems admitted at SALT talks

GENEVA, July 28.

SOME PROBLEMS holding up a new Strategic Arms Limitation (SALT) Agreement remain to be solved by the U.S. and Soviet Governments, the top U.S. nuclear arms negotiator said here to-day.

Ambassador-at-large Alexis Johnson was answering a reporter's question before a plenary session of the U.S. and Soviet delegations.

In a rare departure from the strict secrecy surrounding the complex negotiations, Mr. Johnson and Soviet Deputy Foreign Minister Vladimir Semyonov allowed a Swiss television reporter to pose two questions before they began their meeting in the Soviet diplomatic mission here.

The newsman asked, "Do you think that there are some problems to be solved at a higher level?" and Mr. Johnson replied "Oh, yes, certainly there are."

Mr. Johnson added that President Ford, and Secretary of State Henry Kissinger and Soviet Communist Leader Leonid Brezhnev had all said that "there are problems that are also being considered between the two capitals."

Mr. Johnson did not elaborate, but observers said they believed he was referring to differences over weapons to be covered by the new pact and how to count them.

The negotiators are trying to complete details of a new SALT Agreement limiting each side to 2,400 intercontinental missiles and bombers, and allowing 1,320 missiles to be fitted with multiple warheads (MIRVS). Reuter

Reef schools set alight

BY STEWART DALBY

JOHANNESBURG, July 28.

LEAST six schools were partly set aflame to-day in Soweto, black sister township to annesburg and other towns as the emerging dispute r schools in the townships ng the Reef (the area around *annesburg) continued.*

s the fires broke out, prinals of schools in the townships e considering a further eal to Mr. Jimmy Kruger, the ister of Police, to withdraw heavily armed police patrols have been out in force in townships since last week, on grounds that they are vocative.

Fires broke out last night in ools in Soweto, Tokoza, out- Alberton and Kasigo near gersdorp.

a Tokoza fire swept through Phokaboka Secondary School ly this morning and arsonists ortedly tried to set fire to the ghbouring Siteng school, but ed. In Soweto, at least four ools were damaged by fires ted either in classrooms or ncipals' offices.

All of these areas were affected the riots last month in the nships during which 176 ple were killed and over 1,000 e injured.

The schools affected in Soweto o-day's fires included Orlando gh School which was at the tre of last months riots. The riots had been sparked off by a dispute among black school children concerning the use of Afrikaans as a medium of instruction in some subjects in schools.

Schools had been due to reopen *last Tuesday, having been closed* during the riots in the early part of June. Mr. Jimmy Kruger decided however that the security risk was too great and kept the schools closed, while packing the townships with heavily armed police.

Some schools were reopened last Thursday but the attendance was very low and it has remained low ever since. It has not been clearly established (non authorised whites, including journalists are prohibited from entering the townships) whether this low turnout amounts to an organised boycott or whether schoolchildren have been alienated by the sight of massive police presence on the one hand and groups of black activists on the other restraining them from entering schools.

The number of incidents arising from the presence of police seems to confirm that black schoolchildren do find them provocative.

General Gert Prinsloo, the Commissioner of Police for Soweto, said to-day that police patrols would be suspended if the situation seemed to warrant it.

All-Nippon chiefs are charged

TOKYO, July 28

THE President and the managing-director of Japan's *domestic All-Nippon Airways* (ANA) were charged to-day with illegally receiving Y50m. (£95,000) from the U.S. Lockheed Aircraft Corporation, the public prosecutor's office said.

The office said that ANA president Tokuji Wakasa, 61, and managing director Koichi Fujiwara, 48 who also heads the company's management control office, were charged with receiving the money from Lockheed in violation of the foreign exchange and trade control law. All-Nippon Airways signed a contract to purchase 21 Lockheed TriStar airliners in October, 1972.

The new charges came 30 hours after the announcement that former Prime Minister Kakuei Tanaka was being detained by the prosecutor's office on suspicion of illegally receiving Y500m. (£950,000) from Lockheed through the Marubeni Corporation, the American company's agent in Japan.

Prosecutors have 20 days in which to charge Mr. Tanaka, who was forced to resign the premiership in December, 1974, over questions about his financial affairs.

Three other senior ANA officials have already been charged with violation of the foreign exchange and trade control law, while two former officials of Marubeni have been charged with perjuring themselves before a Parliamentary committee looking into the Lockheed scandal.

Mr. Takeo Miki, who replaced Mr. Tanaka as Premier, told a Lower House select committee on the Lockheed affair to-day that investigations into the scandal have not yet reached their climax. But he added that the climax could be expected in the near future. Reuter

● Moscow: Two Japanese businessmen were arrested here on bribery charges only 24 hours before their company signed a multi-million dollar deal with the Soviet Union, a Japanese embassy spokesman said to-day.

***The businessmen, identified* as Tsunehisa Takagi and Yukio Miyanozawa, were arrested by Soviet police on Monday after weeks of negotiating the deal on behalf of the Nichimen Jitsugyo company, the spokesman said. They have been charged with giving bribes to an unspecified person, the spokesman said.**

Hope in mines dispute

BY OUR OWN CORRESPONDENT

JOHANNESBURG, July 28.

TH THE final counting going this evening in the white Mine rkers Union ballot to decide ether to strike over a five-day k, there were signs that the ernment is prepared to intere to avert a stoppage.

Ir. Ben Lindeque, the Secre- of Labour said that "unceas- efforts are being made at ernment level to avert a ke on the gold and coal ies."

The 8,000-strong white Mine rkers Union finished a ballot ay over the strike, amid indi- ons that sentiment was strongly in favour of stopping work.

Although only 8,000 men are directly eligible to vote, a further 19,000 white workers could be affected.

But worse than this, since the white workers hold many key positions, the strike, if it materialises, has the potential to cripple the coal and gold mining industries, and, by extension the economy.

It is estimated that some 400,000 blacks work in the mines in South Africa. Gold is, of course, the lynch pin of the country's economy, accounting for over one-third of its visible exports.

However, there were signs today that the Government is extremely anxious to avoid a strike. Mr. Lindeque said that the Government remains in constant touch with the Mine Workers Union and the Chamber of Mines. In addition Mr. Lindeque revealed that he had earlier this week held a meeting with Mr. Arre Paulus the powerful leader of the Mine Workers Union.

African Presidents will meet

DAR ES SALAAM, July 28.

PRESIDENT Julius Nyerere will leave here to-day for talks in Maputo with Presidents Samora Machel of Mozambique and Kenneth Kaunda of Zambia on the situation in Southern Africa, a presidential spokesman said.

Tanzania, Mozambique, Zambia and Botswana are the four so-called "front line States" charged by the Organisation of African Unity (OAU) with special responsibility for Rhodesia, and their presidents hold frequent consultations.

Botswana's President, Sir Seretse Khama, is presently touring China.

Informed sources said the three Presidents were expected to discuss recent clashes between Rhodesian and Mozambique troops, and Zambian allegations of South African attacks on its territory.

Unofficial reports reaching Salisbury yesterday said Rhodesian and Mozambican troops fought a lengthy battle with heavy armaments in eastern Rhodesia last week.

The United Nations Security Council is this week discussing Zambia's allegations of attacks by South Africa. Reuter

Swapo dissidents are moved

Lusaka, July 28.

ELEVEN leading dissident members of the Namibian (South West African) guerilla group Swapo have been moved from protective detention near here to Tanzania, where their fate is unclear, according to Swapo and diplomatic sources.

The dissidents are demanding a long-overdue Swapo (South West African People's Organisation) congress to elect new leaders. They have accused the group's present leadership under President Sam Nujoma of corruption, tribalism and of withholding arms from Namibian guerillas.

Earlier this year the authorities in Zambia placed them and at least 40 other dissidents under protective custody, saying it was for their own safety. The sources did not say why the dissidents had gone to Tanzania.

The group which left Lusaka by air on July 18, included two executive Board members, Mr. Andreas Shipanga and Mr. Solomon Mifima, and leaders of Swapo's militant youth wing, the sources said.

Last week, Zambian attorney general Mainza Chona said Mr. Shipanga had gone to Tanzania willingly as a result of a collective decision by the Swapo executive. But a lawyer acting for Mr. Shipanga said his client had always expressed unwillingness to go to Tanzania or be handed over to fellow Swapo members. Relatives of Mr. Shipanga said they had not heard from him and did not know his whereabouts. His lawyer said last week he was still holding Mr. Shipanga's passport. Reuter

EUROPEAN NEWS

Giscard's 'right-hand man' resigns

By Robert Mauthner

PARIS, July 28.

President Giscard d'Estaing's right-hand man and a top official at the Elysee Palace, M. Claude Pierre-Brossolette, has been replaced by M. Jean Francois-Poncet, State Secretary at the Foreign Ministry, and is shortly expected to be appointed as chairman of the Credit Lyonnais, one of France's three nationalised banks.

No official reason has been given for the departure of M. Brossolette, who has been at M. Giscard's side since his election to the Presidency in May 1974, and several years before then as Head of the Treasury. A presidential spokesman would say only that it was not a political move connected with any possible Government reshuffle.

It appears, however, that M. Brossolette has not seen eye to eye with a number of the President's more controversial initiatives and policies, and has been frustrated by seeing his advice ignored.

Men and Matters, Page 16

Execution in France revives controversy

MARSEILLES, July 28.

A 22-year-old man was executed to-day for the kidnap-murder of an eight-year-old girl, reviving the controversy over use of the death penalty in France.

Christian Rawucci went to the guillotine at dawn, condemned for the murder of Maria Dolores Rambla in 1974. She was kidnapped and her throat was slit.

Rawucci was the first person executed in France since M. Valery Giscard d'Estaing, an opponent of capital punishment, became President two years ago.

The last person to go to the guillotine was Tunisian Ali Benyanes, also a child murderer, executed in 1973.

During the Presidential election campaign M. Giscard d'Estaing expressed profound aversion for the death penalty and in February this year he reprieved a 17-year-old boy sentenced to death for robbing, torturing and killing a 69-year-old woman.

Now he faces a similar decision on four other condemned murderers. They include the two gipsies sentenced last month in Toulouse for murdering a British couple, Robert Latter and Joyce Jaffe.

Reuter

EEC 'task force' probe into Irish economy

BY GUY DE JONQUIERES, COMMON MARKET CORRESPONDENT

BRUSSELS, July 28.

THE EEC Commission has taken a significant step towards expanding its involvement in the economic policy of member states by mounting a special investigation into methods which the Community might use to alleviate the problems of the Irish economy.

This move, believed to be the first of its kind in Community history, has potential implications *going well beyond Ireland* itself and could set a precedent for a more active Commission role in helping other Common Market countries overcome economic difficulties.

A recently-established Commission task force has already visited Ireland and prepared a report which paints a candid picture of the major challenges facing Irish economic policy, including continuing rapid rates of wage inflation and the probability that unemployment will remain high in the years ahead.

The report outlines a number of ways in which the Community could encourage faster development of the economy, notably by increasing disbursements to Ireland from the EEC social, regional and agricultural funds and the European Investment Bank. It suggests that any significant increase would, however, require an enlargement of the EEC budget.

But the Commission has ruled out any enlargement of this year's budget, an official spokesman said to-day. He indicated that one possible solution to the problem might be to speed up the often lengthy procedures for processing applications for EEC funds.

There are several drawbacks to such an approach, however. Ireland's share of regional fund money has already been fixed, while new social fund grants would require matching funds from the Government and money from the farm fund would, obviously, not go to the industrial sector where it is most needed.

The task force report does not mention any specific "strings" that would be attached to a special aid package. But it is widely assumed that the Commission would lay down a number of economic policy conditions in return for helping Ireland, as it did when it granted Italy a $1bn. loan earlier this year.

The current investigation stems from Ireland's request for EEC aid measures after it was denied a request for a special waiver in meeting the new Community equal pay laws at the start of this year. The Irish Government argued that the new laws would result in huge cost increases in industries like shoe manufacturing and textiles, which rely heavily on female labour.

The scope of the task force inquiry has, however, been broadened well beyond just studying ways to ease the impact of the equal pay laws and involves a general examination of Ireland's economic problems.

Giles Merritt writes from Dublin: Ireland's sensibilities have already been offended by reports from Brussels that the EEC task force viewed the economy here as a "disaster area," and that slight is now made no more acceptable by the news that additional, direct Community aid will not be forthcoming.

In Dublin to-night, however, Government sources were nevertheless optimistic that financial aid from the EEC is more a question of time. They indicated that even if the EEC Commission is unable to find a way of releasing funds from the current Community budget, the EEC Council of Ministers will insist on increased aid for Ireland.

Direct grants rather than loans for assistance that would have to be matched by the Irish Exchequer, were what the Dublin Government had hoped for as a result of the special EEC study. Finance Minister Mr. Richie Ryan recently commented that he believed the report had been very helpful in proving the same point that the Irish Government has repeatedly made to EEC institutions—that the Republic' structural problems so weighed resources that only nificant" help from the munity would enable the Gove ment to maintain European standards.

In its efforts to push for direct and unconditional aid, Ireland has been attempting a difficult balancing act. On the one hand it has been glad to highlight its economic problems, for it now heads the EEC's unemployment and inflation league tables, while at the same time attempting to defend its current economic policies. Mr. Ryan lost no time in criticising the EEC task force's report for "miscalculations," notably those projections that were more pessimistic than the ones made by his own Department of Finance.

Unemployment outstrips creation of new jobs

BY GILES MERRITT

DUBLIN, July 28.

IN SPITE of chalking up its third satisfactory year in succession during 1975, Ireland's Industrial Development Authority, which is responsible for attracting industry to the Republic, revealed to-day that it is fighting a losing battle against rising unemployment.

The IDA disclosed in its 1975 annual report that although it created 14,500 new jobs during the period, job losses caused by factory closures and industrial re-organisations and streamlining totalled 28,600. Ireland's net loss of manufacturing jobs, therefore, was just over 14,000.

The IDA tacitly acknowledged in its report that *the Irish employment situation* is worsening because of the high level of school leavers joining the registered workforce and, in the longer term, a birthrate that is the EEC's highest.

The IDA stated: "Plant and machinery now sited in Ireland in traditional and newly established firms are not sufficient even at full production to reduce unemployment to acceptable levels because of the rate of expansion of the national workforce."

Ireland averages out as offering almost the most attractive investment incentives in the EEC to foreign industries. In a recent study prepared by the Brussels-based consultancy, Plant Location International, the Irish Republic emerged only marginally behind Northern Ireland as offering the best overall package of incentives, and in analyses of labour-intensive development grants was ahead. And because investment in the Republic does not involve the same level of political and security difficulties as the North, Ireland was last year able to commit itself to grant assistance to 833 projects with total fixed asset investment of £274m. Ulster's foreign investment has now largely dried up.

It is now clear that the IDA is moving into high gear as a job creating agency; although the level of new investment in 1975 lagged slightly behind the *previous two years because of the* worldwide economic recession, the three years taken as a whole are the IDA's most satisfactory. In all, the three-year period has produced £855m. in fixed asset investment, or rather more than the total achieved during Ireland's economic boom decade of the 1960s.

But because of the Republic's rising population, along with unemployment that at 10.2 per cent is the highest national rate in the EEC, the IDA is concerned that it must further accelerate the flow of new industrial investment, both domestic and from abroad. But the IDA to-day admitted that it is unlikely to reach its 1976 target of 17,000 new jobs, and that the number of enquiries received for this year stands at the lowest level for four years.

Aid for Fleet Street re-training

BY ROBIN REEVES

BRUSSELS, July 28.

THE EEC has dipped its financial toe into new technological developments in Fleet Street by agreeing to put up £12,500 towards the cost of "multi-disciplinary" training in computer typesetting.

The grant from the European Commission Social Fund is towards a pilot project in the Mirror Group's new technology programme and will aid the re-training of 30 people. The aim is to assess the merits of different forms of typesetting and the money is being given on the understanding that the information gleaned will be made available to the rest of Fleet Street.

Brussels is still considering the far more ambitious applicati from Fleet Street's Standi Joint Committee of manageme and trade unions for a £3.7 grant from the European Soc Fund towards the overall retr ing of newspaper workers in r skills either inside or outside industry—arising from planned adoption of advan production methods.

Czech industrial production higher

BY PAUL LENDVAI

VIENNA, July

CZECHOSLOVAK industrial production rose 6 per cent during the first half of 1976 compared with the same period last year, but state purchases of meat were down by 3.1 per cent and of eggs by 2.3 per cent. With the harvest still under way there were no figures given in the six-months report of the Federal Office of Statistics for grain production but the report admitted that the implementation of tasks in agriculture was "particularly difficult" in the first six months of this year. It also hinted that as the result of the drought and the heatwave negative influences on the harvest will be felt.

The fastest production increase was recorded in the gas industry up by 19.3 per cent., in glass and ceramics up by 9.4 per cent and the chemical and engineering branches up by 9 per cent. The total industrial production was 0.5 per cent. more than planned, the report said and added that Slova industrial output grew quickly that is by 6.9 per than industrial production i Czech lands where it was u 5.7 per cent.

Overall coal output ros 4.1 per cent. to 59.6m. t and power production by 5 cent. to 31.2bn. kilowatt It is claimed that produ of labour during the six period was up by 5.4 per on January-June, 1975

EUROPEAN NEWS

ORTUGAL'S NEW GOVERNMENT BY PAUL ELLMAN IN LISBON

Daunting problems for the lawyer and the General

START has been made on the of scraping off Lisbon's lls thousands of political pos s and graffiti which provide al citizens with a constant nnder of just how frenetic past two years have been. sthetic considerations apart id most Lisbonites would be ud to see their city clean in), the clean-up provides a ible sign that something has nged politically. At least, that what those responsible for ning the newly-born second tuguese republic are hoping. Both the new President, neral Antonio Ramalho Eanes, the new Prime Minister, Dr. rio Soares, have presented ir arrival in office as the mination of a process which an with the end of the tatorship on April 25, 1974, recovered its sense of direc n on November 25 last year en the general crushed the olutionary Left and its erst le Communist allies.

Clearly it is in both President es' and Dr. Soares' interest portray themselves in this it. Nobody would wish to y either man his moment of ry. (After all, the world is exactly accustomed these s to seeing parliamentary nocracies set up.) Yet, barely the ink dried on signatures both the President's and the inet's oaths of loyalty to the republic before the storm uds began forming on the izon.

t is not only Dr. Soares' posi as head of a minority Government which is already under attack, but that of President Eanes, too, as the declared guarantor of the whole system. He is using the majority he took in the Presidential election to provide an umbrella of legitimacy for the Cabinet, which is only assured of 106 of the 262 votes in the National Assembly.

Two questions thus present themselves: can the Soares Government create some kind of a consensus which might permit it to govern within the framework of the National Assembly? And can the President and Prime Minister keep the Republic's enemies at bay?

To the first question, the answer must at best be wait-and-see, since the outcome will be determined in part by the answer to the second. Still, Dr. Soares made a point of consulting just about everybody before he finally announced his Cabinet and, by all accounts, made sure they all had at least an idea of what kind of priorities his Government would tackle.

Although his inaugural speech as Prime Minister touched on most of the ills of Portuguese society, Dr. Soares evidently plans to concentrate on trying to rescue the economy from the threatened collapse.

The Portuguese have become as accustomed as the British to being told that things cannot continue as they are economically. Yet, six provisional Governments, aided by judicious printing of banknotes and a credit-raising capacity which reflected once-strong reserves, somehow managed to put off the evil day, leaving the first properly constituted Cabinet in over two years with the thankless task of imposing some kind of realism.

This job will begin on the factory floor, with new laws governing dismissals and wage bargaining promised, to the discomfiture of union leaders, Communist and non-Communist alike, who have grown used to a relatively easy time when the annual pay negotiations come round.

Dr. Soares has made a point of speaking separately with those union leaders associated with the Communist Party and those considered to have ties with his own socialists. Isolating Communist trade unionists would enable the Prime Minister to push forward his overall strategy of isolating the party as a whole in the hope that it will wither away. Dr. Soares is known to believe that the Communist call to the socialists to join them in a "government of the Left" which would hold a majority in the National Assembly is based on a fear that Communists can only lose through being excluded from the decision-making process after having held office in all six Governments since the April 25 coup.

The Socialist Government is unlikely to face any immediate opposition from the two parties to the right of it in the National Assembly, the Popular Democrats and the Centre Democrats. Both have already indicated that they are prepared to go along with the planned measures to the extent that at worst they will abstain if they come to a vote.

But the problem for Dr. Soares here is that the longer his Government holds together, the more tempted both the PPD and the CD will be to try to grab a slice of the action for themselves, arguing that only a coalition Government can finally command the authority needed to impose some kind of order.

The Soares Government must create a concensus which might permit it to govern within the framework of the National Assembly, but at the same time the President and the Prime Minister must keep the Republic's enemies at bay.

In this, they can only be aided by the evident weaknesses of the 18-man Cabinet Dr. Soares has formed. Although the Prime Minister put his team forward as strong and capable, it did not escape the attention of even its most well-intentioned critics that the Cabinet was distinctly lacking in weight in the ministries which will have to bear the brunt of any full-scale opposition campaign, namely finance, economic co-ordination and labour.

Dr. Soares, to put it bluntly, was unable to convince any leading figures in the Socialist Party to risk their careers in any of these three ministries. His failure to do so has already prompted some sneers about a "seventh provisional Government."

Dr. Soares' opponents know that although the Socialists emerged as the biggest single party in the National Assembly last April, with 35 per cent. of the votes, their support was some two points less than it had been a year previously in polling for the constituent assembly. The Communists in particular will be eager to salvage something from the ruins of their presidential campaign in which their candidate, Octavio Pato, picked up only half what the party scored in April thanks to the more charismatic appeal of Major Otelo Saraiva de Carvalho, hero of the Left.

Opposition from the Communists and the revolutionary Left is only to be expected. Both have done their utmost in the past two years to make life uncomfortable for those Portuguese who might yearn for cosy bourgeois government. Both have shown a considerable capacity for attempting to seize what they were unable to win legitimately.

But, if his campaign against them is to succeed, Dr. Soares will have to establish that his government can survive without the implied threat that President Ramalho Eanes will do its dirty, albeit constitutional, work for it. To do so, he will have to disperse the impression that the homogeneity with which he supposedly is trying to produce cohesion is more than choosing office-holders for their personal loyalties (and family connections) and really is a question of finding the right man for the job.

Apart from the threat from the Communists and the far Left, the General is also under fire from the newly-reborn extreme Right. Recent weeks have seen circulars distributed clandestinely within the army querying the references to Socialism which pepper the President's speeches. (In fact, the constitution he is pledged to uphold commits any head of state or government to building Socialism.)

At the same time, there has been a whispering campaign against a number of leading non-Communist Left-wingers in the military leadership, notably Brigadier Vasco Lourenco, the Lisbon military region commander, and Major Victor Alves.

The President referred to the undercurrents within the army last week when he swore in his successor as chief of staff, General Rocha Vieira, and there is a considerable chance that further military purges are on the way. They could be made necessary by the need to ensure some sort of common feeling among the Revolutionary Council

Both Dr. Soares and General Ramalho Eanes have taken on a daunting task, in effect committing themselves to building a parliamentary democracy in conditions which elsewhere have generally been considered as providing the foundations for dictatorship, whether of the Left or the Right.

They make an unlikely couple, the unbending and taciturn general and the voluble lawyer. In a sense, each is better equipped to do the other's job than he is to do the one with which he is now entrusted. Dr. Soares is much more skilful at playing the referee, while General Ramalho Eanes has the taste for the nitty-gritty of planning and policy-making for which his prime minister lacks the patience.

Together, though, they appear to agree on what needs to be done. How it will be done will, in the first instance, be up to Dr. Soares. The president has promised to assure the "authority and effectiveness" of the government.

In doing so, he has thrown the full authority of his office behind an experiment in government which the Cabinet list shows has not secured the full support of even the party which has most to gain. President Ramalho Eanes has more than the National Assembly to answer to should Dr. Soares fail in swinging support behind his Cabinet. Perhaps the president's most difficult job in the months ahead will be convincing the Prime Minister that the survival of his government is not coterminous with the survival of the republic.

Sismik I ready to enter the Aegean

ANKARA, July 28.

A TURKISH seismic survey ship, which is being sent to hunt for oil in the disputed Aegean Sea despite Greek objections, entered the Dardanelles Straits to-day and seemed set to sail into the Aegean within 24 hours.

The 1,200-ton Sismik I left Istanbul last Friday and Greco-Turkish tensions ran high. But it had unexpectedly remained in the Turkish territorial waters of the Marmara Sea since then, instead of heading south through the Dardanelles.

Greece and Turkey have rival claims to Aegean oil exploitation rights and there have been fears of a confrontation if the Turkish ship starts work in a disputed zone.

The Greek navy has been keeping a close watch in the Aegean for its arrival.

The Sismik I, reported to have been in a military shipyard in the Sea of Marmara for the past few days, arrived this morning at Canakkale, main town in the Dardanelles.

It entered a shipyard there to make final preparations for the voyage and was expected to move into the Aegean later to-day or early to-morrow.

Reuter

U.K. advisers flown to help in Milan

SEVESO, July 28.

BRITISH expert is flying to ly to help local authorities ide how to decontaminate an a north of Milan stricken by poison chemical defoliant, cials said.

Dr. Don Lee, a plant health ert at the British Ministry Agriculture's plant Pathology oratory at Harpenden, Hertdshire, was invited to come e by the Italian authorities.

Another British expert, Dermaogist Professor Colin Crowe, also expected in Rome to to discuss the situation with Health Ministry officials d.

n the Seveso area, more than people have been evacuated m their homes as a result of tamination by the escape of DD spray from the Swissned Icmesa factory. Health ecks, including blood tests, ntinued to-day.

Officials said no new cases of illness related to the TCDD escape on July 18 had been reported to-day.

The chemical, similar to a defoliant used in Vietnam, causes skin burns and liver and kidney pains. Doctors say they do not know what long term effects it may have, or whether it could harm unborn children.

British help in dealing with the Seveso emergency is considered important because of the experience of a similar leak after an explosion at a factory in Bolsover, Derbyshire, in 1968.

The Milan newspaper Corriere Della Sera to-day identified this factory as belonging to Coalite and Chemical Products and said the company's consultant physician, Dr. George May, had described treatment of people infected by the chemical in the British Journal of Industrial Medicine in 1973.

Reuter

Spain's Communists supported in Italy

BY ANTHONY ROBINSON ROME, July 28.

E CLOSE links between the nish Communist Party (PCE) the Italian Left-wing parties e spectacularly underlined lay when the central commits of the Spanish Party, which still banned in Spain, opened nree-day meeting with a pub session in a Rome theatre. ores Ibarruri, the 80-year-old ionaria of Civil War fame long-time President of the ty, opened the session foled by speeches from Party retary Santiago Carrillo and rkers Commissions Leader celino Camacho, Italian Comist Party Secretary Enrico linguer and newly-elected ialist Party Secretary Bettino xi confirmed the "solidarity" the Italian Left behind the s for political amnesty, ional autonomy, democratic doms, including the right to ical parties, a Constituent embly to draft a new con ution and what Sig. Carrillo termed "a provisional government of national reconciliation."

The current central committee meeting in Rome comes a year after the joint declaration between the Spanish and Italian Communist Parties made by the respective party secretaries at Livorno. This Livorno Declaration, which spelled out the democratic intentions of the two parties, is considered one of the most important documents of the so-called "Euro-Communist" movement. There is a much wider convergence of views between the Spanish and Italian Parties than for example between the French and Italian parties particularly on attitudes to foreign policy, but also in both parties insistence on broadly based coalition governments, political pluralism and respect for the power and position of the Catholic Church. There are also close links between the trade union movements of the two countries.

Schmidt seeks UN move after fresh border shots

BY NICHOLAS COLCHESTER BONN, July 28.

E WEST German Government n push for the creation of a e institution within the United tions that will examine ingements of human rights on case-by-case base. This was firmed by Chancellor Helmut midt to-day in a statement on latest shooting incident on border between East and st Germany.

he Chancellor's statement, anded upon by the Governnt spokesman, suggests that many feels that the UN Comsion on Human Rights is too pecific and too powerless in approach. The German eign Minister, Hans-Dietrich scher, explained in a newser interview at the week-end t he would suggest the crea of a UN Human Rights rt which would deal with specific cases and not merely voice criticisms. He stressed that the UN should take the question on human rights more seriously than it has done in the past.

Chancellor Schmidt was reacting to another unpleasant incident on the frontier between the two Germanies in which a man from Hamburg was shot and wounded on Saturday and three tourists were marched away for protracted questioning after wandering across the demarcation line on the same day.

The Chancellor's statement was taut in tone and clearly tailored to the insipient election campaign. Yet beyond the UN proposal, it contained little to deflect the criticisms of the opposition that the Schmidt Government often barks at East German behaviour but never bites back.

Swedish car price freeze

BY JOHN WALKER STOCKHOLM, July 28.

PRICE freeze on new car es is to come into force nediately, the Government iounced to-day. The freeze applies to spare parts and be in operation for an inite period.

The main factors behind lay's development are the reasing rate of inflation ich went up sharply in the ond quarter of this year and general election which es place on September 19. On other fronts the Government has already frozen prices on certain food and consumer goods, as the rise in the cost of living is a major point in the election campaign. Consumer prices went up by 5.9 per cent. in the first six months of this year, while the increase for the period June, 1975 to June, 1976, is 11.3 per cent.

Rising costs in the motor industry have been partly offset this year by some price increases.

Doctors' action endorsed

By Donald Maclean

The industrial action by junior hospital doctors that is bringing longer waiting lists and cancellation of out-patients' appointments at more and more hospitals was endorsed yesterday by the executive of the British Medical Association council.

This follows Monday's meeting between doctors' leaders and Mr. Callaghan, the Prime Minister, at which the doctors put forward their views on a range of grievances — including the most immediate one of junior doctors' overtime pay—and met with what they described as a "sympathetic" hearing.

Re-affirming support for the junior doctors' case—in which overtime pay at the normal working rate is demanded during periods of annual or study leave—the executive also expressed support for the action being taken on the issue by the BMA Hospital Junior Staffs Committee.

It restated its concern over the consultants' pay issue. It is felt at the BMA that the younger consultants' base for future salary increments has been unfairly held down by their accepting one year's restraint under the pay policy.

The executive will, provisionally, meet again next Wednesday when they expect to have received a reply from the Prime Minister to the several points—covering mainly pay and the working of the health service—raised by the doctors at Monday's meeting.

Chevron oil group may accept U.K. State role

BY RAY DAFTER, ENERGY CORRESPONDENT

CHEVRON, the U.S. oil group, is likely to accept State participation in its North Sea oil assets within the next three months.

The Department of Energy, British National Oil Corporation and Chevron Petroleum (U.K.) confirmed yesterday that they were in "meaningful negotiations on a participation agreement," a statement forecast in the Financial Times on Tuesday.

"All parties have the objective of reaching acceptable terms by this autumn which will meet the requirements of Government policy and will safeguard the interests of Chevron," the statement said. Chevron is operator of the Ninian Field, a role assumed from Burmah in March last year.

Mr. Anthony Wedgwood Benn, the Energy Secretary, indicated that he was satisfied with progress being made with Chevron, adding that talks on participation were being held with other groups. Shell and Esso have confirmed that they are in "meaningful discussion," and it is understood that Occidental, operator of the Piper and Claymore Fields, has met Government officials.

The Government has already signed four participation agreements, with Gulf, Continental Oil, Tricentrol and Ranger. It has reached agreement on the principles of State participation with British Petroleum.

Mr. Wedgwood Benn has indicated that companies that agree to participation, or at least engage in "meaningful discussions," will be viewed favourably in the Fifth Round of licences. Details of the 50 to 60 blocks to be awarded are expected to be announced to-day.

Cluff moves

Cluff Oil, the U.K. independent group, indicated yesterday that it would seek licences in the next round. The group, backed by British investment and shipping interests—plans to apply for sole licences, although it may partner Elf in seeking deep-water acreage.

Mr. Algy Cluff, founder and head of the group, sees involvement in the Fifth Round as the next step in plans to become a fully integrated British oil company, eventually with refining and marketing interests.

So far Cluff has raised £7m. for U.K. and Irish ventures. One of its consortium companies, CCP North Sea Associates, has a 21.17 per cent. stake in the Buchan Field recently discovered in the North Sea.

Mr. Cluff said that the group's involvement in the next round was a "major priority." "We hope that British companies will be given a full and fair opportunity to compete for the new blocks," he said.

Mr. Orin Atkins chairman and chief executive of the American Ashland Oil group, said that his company would also seek involvement in Fifth Round acreage. Ashland would probably apply as a member of an international consortium with U.K. interests. The group already has a substantial stake in Pan Ocean's Brae Field.

Mr. Atkins, who will meet the London Oil Analysts' Group to-day, said that North Sea crude—fairly light with a low sulphur content—fitted Ashland's U.S. requirements. The company imported 170,000 barrels a day; some 30,000 barrels a day from the Norwegian sector of the North Sea. Ashland has bought a consignment of Forties Field crude.

The U.K. North Sea was regarded by Mr. Atkins as an attractive proposition. "The terms of development are no more onerous than anywhere else. Politically, the U.K. is more stable than other producing areas."

Cross-Channel services 'normal by August 6'

CROSS-CHANNEL ferry services from Portsmouth and Plymouth to France are expected to be back to normal in ten days' time after a month in which disputes and accidents caused thousands of holidaymakers to face cancelled sailings and delays of up to two days.

This followed damage to the 6,000-ton Portsmouth-St. Malo ferry Armorique, which hit a rock entering St. Malo.

France, U.K. 'seek machine tool link'

By Kenneth Gooding, Industrial Correspondent

AN UNDERSTANDING exists between the U.K. and French Governments that their machine-tool industries should be brought closer together, it was claimed in the High Court yesterday.

It was said that this was why Renault, which has major machine-tool interests as well as cars, showed interest in the U.K. group Kearney and Trecker Marwin. Both companies are State-owned.

It was the third day of the hearing, at which a scheme is being considered to change KTM's financial structure and transfer ownership from the Government to the Vickers engineering group.

Mr. Walter Norton, whose company opposes the scheme, answered questions about the Renault interest in KTM in 3½-hour cross-examination.

Asking about his suggestions that two major European companies, one Renault, might consider bidding for KTM, Mr. Justice Templeman said: "Wouldn't they (Renault) have to be in for £9m. or £10m. before Norton would get anything?"

Mr. Norton agreed. He added, however: "When a Government decides on a course of action because there are strategic interests concerning its industrial base, I would have thought the price was a far less relevant consideration than the knowledge they are seeking."

It would cost Renault much more than £10m. to set up its own U.K. operations. "Renault is seeking capacity in the U.K. and the skills we have to offer."

It was disclosed in court that the Department of Industry made inquiries in June about the possible involvement of the other European group with KTM. Yesterday the other group was called "Company A," but on Monday it was identified as Oerlikon-Buhrle of Switzerland.

These inquiries established that Oerlikon-Buhrle was in no immediate position to do anything about "looking at" KTM.

The hearing continues today.

Energy-saving task force plea rejected

BY DAVID FISHLOCK, SCIENCE EDITOR

THE GOVERNMENT has rejected a Parliamentary Select Committee proposal last September that a "task force" of Ministers, top officials and energy experts should be responsible for energy saving, operating "essentially full-time" and reporting directly to the Prime Minister.

But it has set up a committee of Ministers with Mr. Gordon Oakes, Under-Secretary for Energy as chairman, to promote and co-ordinate energy conservation, and said a further £1m. is to be spent on the "Save It" campaign during 1976-77.

The Government is also offering smaller companies a subsidy of up to £30 towards the cost of a one-day visit by an energy consultant advising on energy saving.

After an unusually long delay — replies to Select Committee reports are usually made by the Government within six months—the White Paper published yesterday says there are "limits on how active a part Government can play without getting into a situation where it is taking consumers' decisions for them."

In response to the 42 recommendations for action put forward by the MPs, the Government offers ten principal activities on which its programme will concentrate during the next phase of the campaign.

The ten are:

Involvement of the "little neddies" and leading trade associations, and the encouragement of targets set by energy consumers themselves.

Encouragement of companies applying for selective assistance to provide details of their energy savings.

Extension of the energy saving loan scheme to commerce.

More help for the smaller company.

Gradual extension of thermal insulation requirements in building regulations and the development of standards.

Standard tests of petrol consumption on new cars.

Encouraging of further public sector investment in energy saving.

More publicity for energy conservation, aimed specially at the smaller company.

More information on comparative costs of different heating methods.

Completion of a Department of Energy study on combined heat and power schemes.

Commenting on the MPs' severe criticism of its "Save It" campaign, the White Paper asserts that it has been one of the biggest and most thoroughly researched campaigns conducted by Government. It is satisfied that the £5.1m. spent up to March this year

Energy Conservation, Cmnd. 6575; SO; 30p.

Road Federation hits at rail priorities

BY JAMES McDONALD

Following Tuesday's attack by Sir Richard Marsh, outgoing chairman of British Rail, on the Government's transport policy document, an objection to any priority for rail services was made yesterday by Mr. Tony de Boer, chairman of the British Road Federation.

"At first glance," he said in London, "the consultation document tells us that the Government's analysis is right. But it does not put transport in the national picture, either industrially or socially, and is far too inward-looking.

"Our main concern is that transport as a whole is undervalued by the Government and deserves higher priority."

The chapter in the Government's consultation document, he added, was "indecisive and woolly, in contrast with the facts that show that movement by road is totally predominant. Priorities within the transport budget are distorted and will progressively become more damaging to the economy."

Sir Richard's warning that increased rail fares would drive 60,000 rail commuters from the railways in London and the South-East was close to "political blackmail," Mr. de Boer said.

Sir Richard was "playing on the fears of rail commuters" to tell the Government that it dared not deal firmly with the present £80m. subsidy for these services.

In a memorandum to the Government the British Road Federation called for an end to support for money-losing transport services, and for capital resources saved to be put into roads.

Even if rail travel were free, it said, it was unlikely that there would be heavy demand for general rail services. To "pour huge sums of money" into operational and investment subsidies was "a gross misuse of resources which Britain cannot afford."

£300m. uranium plan by Nuclear Fuels

BY DAVID FISHLOCK, SCIENCE EDITOR

BRITISH NUCLEAR FUELS expects to invest £300m. over the next ten years in its uranium enrichment facility at Capenhurst, Cheshire, where it is building a plant based on the gas centrifuge.

This was disclosed in a written Parliamentary answer from Mr. Alex Eadie, Minister for Energy, yesterday, detailing expected investment by the company in the nuclear-fuel cycle in the next decade.

The first cascades of the enrichment facility built in association with its West German and Dutch partners through the tripartite collaboration Urenco are being commissioned at Capenhurst.

The centrifuge investment is the largest single item in a total investment of £715m. so far approved by the Government.

The sums are based on British Nuclear Fuels' corporate plan, completed in November 1975. The company stressed last night that they do not cover the total investment expected by the company up to the mid-1980s.

One major item not yet approved is for a 1,000-tonne thermal oxide reprocessing plant (THORP) at Windscale for the domestic nuclear power programme, for which planning permission was sought earlier this month.

The Government has approved the £245m. allocated to extensions and improvements for the existing reprocessing facilities for magnox fuel from the natural uranium reactors. This sum will include further expansion of the facilities for storing highly radioactive waste liquors from the reprocessing operations.

It has also approved a £40m programme to demonstrate a new method of solidifying the highly active waste, for more convenient storage. This will include construction of a plant capable of casting one-tonne ingots of glass.

The balance of £130m. approved so far includes further capacity for conversion of uranium oxide into uranium hexafluoride for enrichment, and "other items required to maintain the revenue-raising activities throughout the fuel cycle."

The company plans to build a second 1,000-tonne THORP plant at Windscale, at an estimated cost of £330m., for a programme of reprocessing overseas nuclear fuel. It expects to finance this project, however, from down payments by its customers.

Plan for Welsh oil unit

BY RAY DAFTER, ENERGY CORRESPONDENT

TEXACO AND GULF are discussing with the Government plans to build an oil refinery catalytic cracking unit in South Wales.

The project, described as a "multimillion pound scheme," would involve the construction of a jointly financed unit on a site adjoining Texaco's refinery, a few miles from Pembroke.

The unit, which is under a feasibility study, would convert heavy fuel oil into premium petrol and other light products. Texaco said that this was necessary to conform to the changing pattern of petroleum consumption in the U.K.

Gulf and Texaco said the plan indicated their confidence in the long-term outlook for a stable U.K. economy.

Many in the U.K. oil industry feel that the building of additional "cracking" or upgrading facilities is a more economical way of meeting Britain's changing oil needs and expansion over the next five years than building new refineries.

Union urges Harland man for Board

By Our Belfast Correspondent

SHIPBUILDING UNION leaders in Ulster are pressing for a senior director of the loss-making Harland and Wolff shipyard to be appointed to the Board of the proposed British Shipbuilders.

Local officials of the Confederation of Shipbuilding and Engineering Unions now appear to have accepted, with a great deal of bitterness, that the yard has no last-minute chance of inclusion in the Government's nationalisation plans.

They have latched on to the promise made in the Commons on Tuesday night by Mr. Rees, the Ulster Secretary, that British Shipbuilders would have a dut[y] to consult and co-ordinate it[s] activities with Harlands.

Mr. James Graham, confederation secretary, said the unions would like to see some tangible evidence of the proposed links with the new corporation.

"This could be brought about by the appointment of a senior Harland and Wolff director to the Board, as well as links with the various committees which are to be established, so that Harlands would not be entirely excluded," he said.

Mr. Andrew Barr, the confederation president, said: "We want definite links established, and proper Ulster representation at Board level."

Insurance companies warning

By Christopher Hill

WHILE 1975 was a better year for insurance companies inflation remained a serious problem, according to the Department of Trade in its annual report on the working of the Insurance Companies Act, published yesterday. Although the securities and property markets recovered, with a consequent improvement in total assets, inflation continued to have implications for all companies and the claims provisions of those conducting certain classes of business were being watched "with particular attention."

Fewer companies experienced difficulties in 1975 than in 1974, but because of the stricter requirements which came into force, there were still cases where Government intervention was necessary. During 1975, 27 companies (41 in 1974) were persuaded to take remedial action on a non-statutory basis.

Insurance brokers were also under the spotlight in that the four major insurance brokers' organisations were invited to make proposals for the regulation of the industry. One of the main problems has been the distinction of an insurance broker as opposed to other classes of insurance intermediary. A preliminary report has been received by the Department and the four have been asked to amplify it in certain respects.

Before any decisions ar[e] reached, the report says, in[surers], consumer organisation and others likely to be affecte[d] by the proposals will b[e] consulted.

IN BRIEF

A warning that any attempt by the Government to take Beecham's pharmaceutical interests into public ownership would be strongly resisted was given yesterday by Mr. G. J. Wilkins, the company chairman. He was commenting on a report earlier this year by a Labour working party advocating that at least one big company should be acquired by the National Enterprise Board. He describes the document as "intellectually impoverished."

Damages agreed

A High Court judge awarded damages totalling £22,141 to 12 passengers who booked through Thomas Cook for a 15-week voyage aboard the three-masted Regina Maris in 1973. The voyage was not completed because the vessel was unseaworthy. Damages were agreed, and Thomas Cook did not contest the case, but in turn sued the owners and operators of the Regina Maris, Brictec Finance, of Hans Place, Knightsbridge, London. Brictec did not defend the case and was not represented in court.

Triplex plant

Triplex will spend £3.5m. at its Kings Norton factory on new facilities for making laminated windscreens.

The new plant should be operational by the end of 1977 and will give a 50 per cent. increase in output. Triplex is a Pilkington Bros. subsidiary.

Guernsey land curb

Legislation approved by Guernsey's Parliament yesterday requires a licence for a company to own any residential prope[rty] on the island or for an individ[ual] without residential qualificatio[ns] to own more than one house [or] flat. The law will apply equa[lly] to leases of more than five yea[rs].

Under separate legislation, finance committee's consent [will] be needed for offers of securi[ties] for subscription or sale if t[hey] are made by a company not in[cor]porated in the Bailiwick of Gu[ern]sey or are on behalf of a gov[ern]ment outside the U.K. or Channel Islands.

Fire damage

Estimated cost of fire dama[ge in] Great Britain in June was £2[...] the British Insurance Assoc[iation] announced yesterday. Th[...] nearly £7m. more than in [...] 1975, and the highest m[...] total since August, 1975.

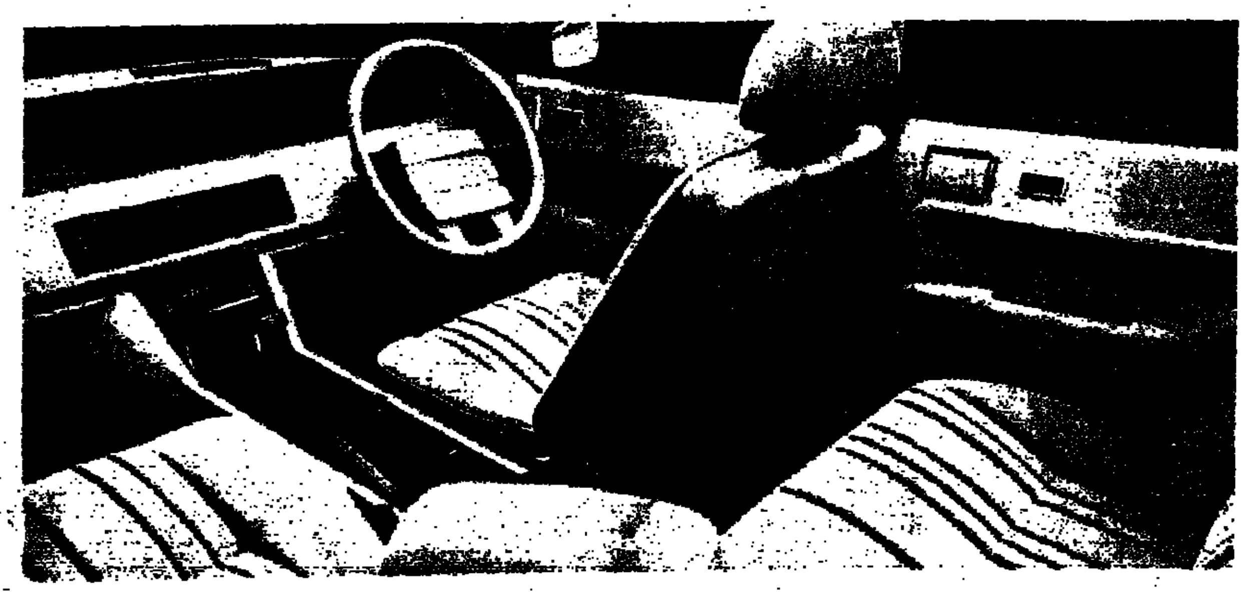
Tomorrow. Today.

The new Rover 3500.

We announce a car that sets new standards of design, comfort, safety, reliability and value.

The new Rover 3500 looks, feels and handles like a very, very expensive car.

Which it isn't.



When asked, the 5-speed manual version can top 126 mph and accelerate from 0-60 mph in 8.6 seconds. At the same time it can give you an amazing 26 miles to the gallon on touring runs.

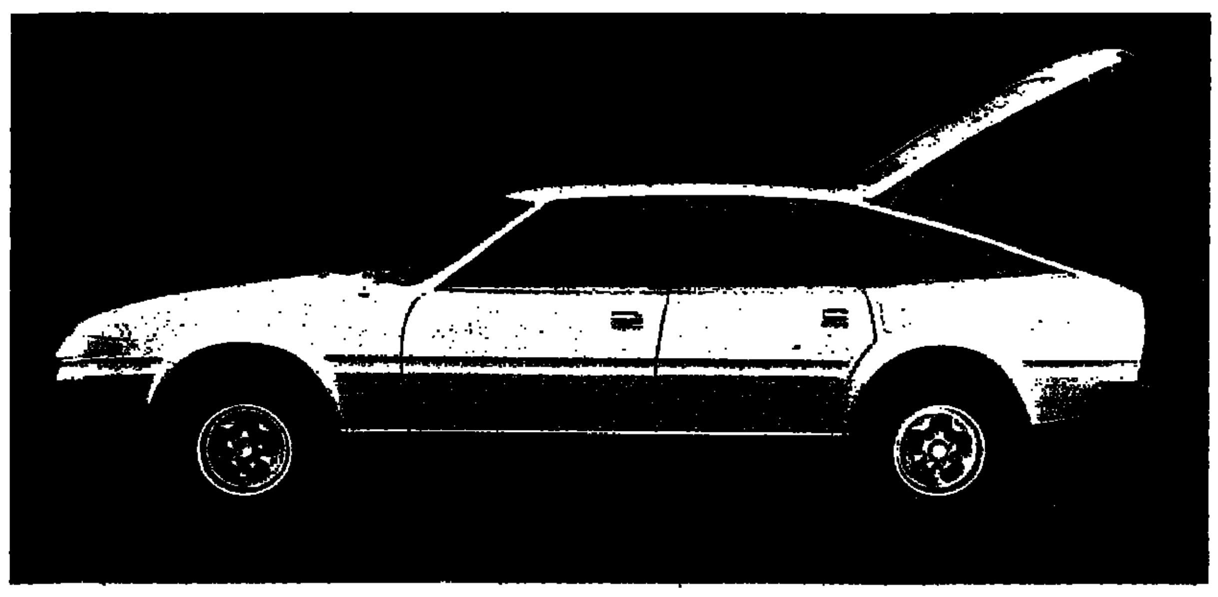
The automatic version is equally impressive: a top speed of 123 mph, touring mpg of 24 and 0-60 in 9.0 seconds.*

Inside is a quiet, spacious area for 5 adults plus a lot of luggage in a deep, covered well that's reached through an assisted-lift tailgate. Fold down the rear seat and you double the luggage capacity.

Outside, a sleek, aerodynamic car that will soon be winning praise as one of the most elegant designs of the decade.

And, importantly, the new Rover is a classic of simple, logical engineering. It's efficient, reliable and easy to maintain.

To prove that, we protect it with Supercover, the most comprehensive after-sales commitment available to the British driver.



The new 3500 is at your Rover showrooms today. We urge you to see it. We're certain you'll like it. And if Rover history is anything to go by, it will be a very sound investment.

Rover

From Leyland Cars. With Supercover.

Tomorrow, wouldn't you rather be in a Rover?

-ow's car costs £4,750.20 (automatic £149.76 extra) inc. car tax, VAT & front seat belts (delivery and number plates extra).
-nd mpg figures from Leyland Cars Engineering Division.

BSC hopes to break even after £255m. loss year

BY ADRIAN HAMILTON

AFTER A reported loss of £255m. in the 1975-76 financial year, the British Steel Corporation is now aiming to break even and perhaps make a profit during the current financial year, according to Sir "Monty" Finniston, the Corporation's retiring chairman yesterday.

Introducing the annual results in London, he ascribed the loss to the "worst recession in the international steel industry for 40 years."

Nevertheless, he said that the first part of the year had seen a considerable improvement in labour relations, in demand and in prices.

While the corporation continued to make a loss of £1-1¼m. a week in July, it was hoped to return to a break-even point in early autumn and improve after that, he said.

Optimism

Sir Monty's optimism comes *after a particularly bad year for* the Corporation. Production, as recorded in the annual report, fell *from* 20.8m. tonnes of liquid steel in 1974-75 to 17.2m. tonnes in 1975-76, and compared to peak levels of around 25 and 26m. tonnes in 1970-71 and 1972-73.

At the same time, steel deliveries in the home market fell from 13m. tonnes in 1974-75 to 10.5m. tonnes in the last financial year, while export deliveries only marginally improved *from* 2.1m. tonnes to 2.2m. tonnes over the same period.

Total outside turnover improved slightly from £2.3bn. to £2.4bn., but costs also increased. Labour costs rose *sharply* by more than £200m. from £693m. to £897m., despite a fall of 18,000 in the number of employed to 210,200 by the end of March this year.

Over the same period expenditure on interest rose from £67m. in 1974-75 to £108m. in the last financial year and there was a foreign currency loss on foreign borrowings not covered by the Treasury insurance scheme of some £30m.

With plants operating at only two-thirds or less of capacity and prices in the market weak, the final result for the corporation was a £255m. loss for the last financial year.

This was in contrast to three years of profit in which the corporation had surpluses of £3m. in 1972-73, £50m. in 1973-74 and £73m. in 1974-75.

A breakdown of the overall *figures shows* that by *far* the greatest part of this loss was incurred in the trouble-ridden strip mills division, which made a loss of £200m. on total steel deliveries of 3.69m. tonnes and a turnover of £666m.

The general steels division also made a substantial loss of nearly £52m. on total deliveries of 6.17m. tonnes and a turnover of £838m.

Other divisions fared less badly. Special steels, on deliveries of 1.87m. product *tonnes and a turnover of £467m.*, lost £16.5m. and Redpath Dorman Long, on a turnover of £138.7m., *made a loss of £4m.*

But the tubes division, on deliveries of nearly 1m. tonnes and a turnover of £401m., made a profit of £19.2m.

The corporation's new steel services centres division, which handles stockholding, managed to make a small profit of £0.3m. on a turnover of £63.6m. after interest and depreciation.

BSC (Chemicals), on a turnover of £64m., made a profit of £7.5m. Particularly encouraging also was the profit made by BSC (International), largely because of disposals, of £17.1m.

On the investment side, meanwhile, the corporation reported its highest level ever at £530m., nearly double the £311m. recorded in the previous year.

However, BSC *resorted* increasingly to outside finance, calling on a further £345m. of public dividend capital and a further £315m. in long-term borrowings.

Commenting on the results, the Board in the report places special emphasis on labour relations.

The number of strikes during *the last financial year, it reveals,* increased from 272 in the previous year to 368, of which all but two were unofficial.

There was, however, a reduc*tion in production embargoes* imposed by the workforce, while a high proportion of the strikes *occurred in the first half of the* financial year.

The agreement reached with the manual workers on January 23 of this year is hailed as a "watershed" in relations between BSC and the unions.

PROFITS BY DIVISION, 1975-76

	Sales £m.	Pre-tax profit (loss) £m.
General Steels	837.9	(51.9)
Special Steels	467.0	(16.5)
Strip Mills	665.8	(200.0)
Tubes	400.7	19.2
Service Centres	63.6	0.3
Chemicals	64.0	8.1
Redpath Dorman Long	138.7	(4.0)
International	149.2	24.0
Other*	8.5	(25.3)
TOTAL	2,356.7†	(246.1)

* *Mainly Central Corporation accounts.*
† *Excluding inter-divisional sales.*

BSC's SIX YEAR RECORD

	70-71	71-72	72-73	73-74	74-75	75-76
Liquid steel production (m. tonnes)	26.1	21.5	25.1	23.0	20.8	17.2
No. of U.K. employees (000s)	252.4	229.7	226.6	220.4	228.3	210.2
Total outside turnover (£m.)	*1,457*	*1,292*	*1,473*	*1,775*	*2,256*	*2,357*
Profit (loss) before taxation (£m.)	7	(45)	9	56	89	(246)
Rate of return on average net assets (per cent.)	2.9	—	3.4	6.8	8.9	—

Chrysler activities in U.K. and Europe 'should be merged'

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

INTEGRATION of Chrysler U.K. *with the parent company's other* activities in Europe and overseas is the main key to the survival of the British concern, according to the Expenditure Committee *report published* yesterday.

Only by integrating will the U.K. company achieve some of the economies of scale which *are necessary in the motor* industry. In this way, Chrysler can "become a genuinely European operation, as a result of which CUK in particular can enjoy economies of scale beyond the reach of a small national manufacturer."

The Government plan, the report concludes, allows the development of new models and the reorganisation of facilities which are the crucial factors in realising the potential for integrations. The new products will reduce unit costs by using com*mon components in a way which* it would be difficult to do by simply shifting the present product range around.

But the report finds that the agreement with Chrysler does not necessarily commit the company to wholesale integrations.

"It could be argued that the Government concluded the right agreement for the wrong reasons. *While they were very clear that* Chrysler Corporation should remain financially responsible *for the company*, the prospect of integration, which is commercially the most attractive aspect of the scheme, was not given the prominence it deserved.

"Indeed, *in his statement to* the House the Secretary of State spoke only about integration of *marketing, and not of integration of production.*"

What the Committee would clearly like to see is action taken to make the Continental companies as dependent on Chrysler U.K. as the British company is on them. At present this is not so, it suggests.

"A two-way flow must occur if CUK is to play a full part in the *integrated European organi*sation. The use of the entire U.K. operation simply as spare assembly capacity might mean parts of CUK effectively being peripheral to the French facilities.

"In these circumstances, the *closure of U.K. facilities in the* 1980s would not necessarily threaten Chrysler's European operations, and the U.K. plant would not be vital to the continued presence of Chrysler in Europe. Only if CUK were to become the sole European source *of supply for certain items would* it be locked into the European operation."

The Committee also concludes that far from reducing production capacity after the rescue deal, as most commentators have assumed, Chrysler's capability has been increased.

Bottleneck

The Committee's view is that the CPRS's warnings about excess capacity are less relevant if full integration of production is achieved. However, it concludes that capacity for built-up cars and commercial vehicles has gone up by 16 per cent. (18 per cent. for cars) instead of *falling by 25 per cent. as the* Government suggested, because of the removal of bottlenecks in *the Linwood paint plant.*

While admitting that the general character of the deal reached by the Government was probably the best which could be achieved in the circumstances, the report suggests that the Government might have *achieved better financial terms* had it been more prepared for Chrysler Corporation's action in *threatening to pull out of the* U.K. Chrysler Corporation has achieved an extremely good deal from its own point of view.

In financial terms the report *points out that if losses in 1976* do not exceed £40m., the reorganisation of CUK "will *effectively have been achieved* at an expense to the company of only £10m.-£12m. *(for the* Alpine) until 1985-90, when the loan capital is to be repaid."

At the same time, Chrysler is being relieved of some of the cost of expanding Alpine (C6) production by freeing capacity at Ryton in Britain.

Public Expenditure on Chrysler (U.K.) Ltd.; Eighth Report from the Expenditure Committee; House of Commons Paper 596; (HMSO) £1.80.

Post Office extra profit will stabilise charges

BY KEVIN DONE, INDUSTRIAL STAFF

THE POST OFFICE profit of *£147.9m. last year* was far in excess of its original targets. It had aimed to make a profit of about £80m. on telecommunications and to limit the postal deficit to not more than £70m.

But several factors, including internal economies — yielding *savings of* £35m. in posts and £44m. in telecommunications — and the benefits in the later part of the year from the counter-inflation policies led to substantially better results.

To the total profit, the telecommunications service finally contributed £154.7m., the Giro service £0.8m., remittance services £0.3m., and the data processing service £1.3m. The postal service made a loss of £9.2m.

The Post Office annual report published yesterday, says that the profit will allow a period of price stability well into 1976-77, able and were met "not un*reasonably by a good deal of* public criticism."

But if financial viability was to remain a realistic prospect for the Post Office, it was of para*mount importance to catch up* with past under-pricing and deal with inflationary pressures on costs.

Prices are now more closely aligned with costs than for many years. "The critics who prophesied that services had *been priced out of the market* were proved to be wrong." The price increases did not take the Post Office to the *point* of diminishing returns.

Further price increases, it says, must be kept as small as possible and put off for as long *as possible. Telecommunications* prices should be kept at their present level to the end of the financial year and the prices of letters (up to 100 gms. in weight) should stay unchanged for the rest of the calendar year.

But predictions for other parts of the postal service are less optimistic. The inland parcel service has lost money in all but one of the last 21 years, and the Post Office is now seeking further increases in parcel and letter packet rates, which could be announced next month.

Last year the inland parcel service lost £42.8m. and was the sole reason for the postal services' deficit of £9.2m. All other branches, including the inland letter service, made profits totalling £33.6m.

"There is no prospect of making the parcel service viable solely by marketing and cost cutting," says the report, "and as it is not to be subsidised, price increases cannot be avoided. It would be both wrong and counter-productive to cross-subsidise the parcel service with revenue from the letter service."

Achieving an economically viable parcel service is being jeopardised by uncertainty about *future Government action, says* the Post Office.

The higher telephone calls charges which doubled l[...] *brought sharp drops in* t[...] of call growth of recen[...] Local calls increased by [...] per cent. to 13,736m., a[...] calls by only 1.9 per [...] 2,356m. With greatly i[...] facilities international c[...] by a record 18.1m. to £[...]

There were 1.27m. [...] phone connections dur[...] year, bringing the tota[...] vice to 13.2m. The wai[...] is now at its practical m[...] says the Post Office, a[...] This is equivalent to [...] week's supply.

Investment in telecom[...] tions was 4.5 per cen[...] but higher costs cau[...] rise by £129m. to £827[...]

Last year's price rises [...] general economic [...] brought a fall of 9 per [...] the number of letters p[...] a 13.3 per cent. drop [...] number of parcels han[...]

Research and develo[...] penditure increased b[...] cent. to £40.2m., but [...] *largely because of* hig[...] rather than through [...] of the workload.

Last year was m[...] stringent cost reductio[...] *savings equivalent to* [...] in telecommunications [...] staff in posts throug[...] manpower and overtim[...]

At the end of March [...] Office *general reserve* [...] £1,525.7m.

National Giro, the [...] *arm of the Post Office* [...] a pre-tax profit of [...] during the year, [...] described as "a useful [...] towards the financial [...] set by the Government [...]

Under the recent [...] construction, £16.7m. [...] past losses were writ[...] a further £13m. of its [...] converted into public [...] capital. The target [...] to earn an average re[...] per cent. for the th[...] *1975-76 to 1977-78* on [...] dividend capital plu[...] profits.

POST OFFICE FINANCES

	1972 £m.	1973 £m.	1974 £m.	1975 £m.
Post Office income	1,373.5	1,530.8	1,762.5	2,117.9
Post Office profit/(loss)	36.1	(64.1)	(128.1)	(306.4)
Telecommunications income	884.1	1,002.3	1,160.5	1,388.1
Profit/(loss)	58.0	(9.7)	(61.4)	(194.5)
Posts income	515.5	559.7	630.3	770.8
Profit/(loss)	(12.6)	(42.5)	(57.5)	(169.2)
Giro and Remittance Services income	8.6	28.1	34.2	38.7
Profit/(loss)	(6.4)	11.6	5.0	(3.3)
Data Processing income	13.9	18.2	21.8	27.2
Profit/(loss)	(0.6)	(0.2)	0.5	0.4

It has provided money for investment in essential equipment.

Putting its performance in perspective, the Post Office says the profits are derived essentially from the telecommunications service, which is now investing over £900m. a year at to-day's prices. Last year's profits were achieved *from a total income of £3.2bn.* compared with an income of £2.1bn. in 1974-75.

A continuing high programme of investment was vital for the "development and modernisation of a service which is crucial to the industrial, commercial and *social life of the country,*" says the report. The business needs to "invest now and go on doing so," *and good profits are essen*tial to support such a programme.

The turning point in its performance came with the Government's acceptance of the need for more realistic pricing policies after many years of artificially *low tariffs.*

When this "long overdue" move came, inflation was very *high and increasing beyond pre*dicted levels. The two large price increases last year were unavoid-

Dell faces Labour questions on Lonrho

By Margaret Reid

QUESTIONS ARISING from the recent Department of Trade *Inspectors'* report on Lonrho were put to Mr. Edmund Dell, the Trade Secretary, at a meet*ing of the Parliamentary Labour* Party's Trade Group last night.

Mr. Dell addressed the group about the report, which was highly critical of certain directors of the company, the mining and industrial concern with African interests which Mr. Edward Heath, *in* 1973, called "the unacceptable face of capitalism."

In the discussion at the group, with Mr. Ioan Evans, MP for Aberdare, as chairman, a large number of matters are thought to have been raised.

It appears that these included the implications of the Lonrho report for company law generally, the responsibilities of directors and the system of company inspection.

One question thought to have been of interest to MPs was whether the Department of Trade *should exercise responsi*bility for inquiries into companies, as at present, or whether an independent agency should be responsible. A similar point was raised by Lord Shawcross in a letter to the Financial Times yesterday.

Some MPs are also thought to have mentioned questions concerning sanctions against Rhodesia—a context in which the inspectors had some critical remarks to make about certain Lonrho directors.

It is thought possible that some MPs may seek to raise certain matters concerning Lonrho in the Commons before the summer recess.

Healey claims U.K. growth rate appears above OECD forecast

BY DONALD MACLEAN

THE U.K. economy appears to be *growing at a faster rate than the* Organisation for European Co-operation and Development pre*dicted in its six-monthly report* published this week in Paris, Mr. Denis Healey, Chancellor of the Exchequer, said yesterday.

"There are growing signs," he told the annual meeting of the Association of County Councils in London, "that the economy is moving out of recession faster than we anticipated at Budget time (in April), and much faster than forecast this morning by the OECD, which is almost alone in *its pessimism among the large* number of forecasts now published."

Because of the recovery, people were saving less and industry was "beginning to borrow more from the banks."

For this reason, it would not be possible for the Government next year to borrow "anything like as this year, or even last *year, without pre-empting private* savings, driving up interest rates and choking off industrial investment and recovery."

At the same time "foreigners will lend us the money to cover *our external deficit only if they* are satisfied that our internal policies will allow us to master *inflation and achieve a balance* on current account in the next few years."

Minimum

The fall in the value of the pound had increased the country's competitiveness, and the balance of payments would improve in due course—though *the working of the international* trading system made the situation "more difficult" in the short-term, with import expenditure being affected more quickly than export earnings.

Mr. Healey warned that the country faced two or three hard years ahead. "The nation as a whole faces its most difficult challenge since the Second World War." *Prospects* had been transformed over the past year, but there would be still two to three "*difficult years*" *before* North Sea oil (which would not be a cure for all the problems) made a "significant contribution to our economy."

In order to ensure that manu*facturing industry did not run* into "bottlenecks and supply constraints" it was necesary to *keep to an "absolute minimum* those imports which are not essential to the recovery of in*vestment and stockbuilding.*" This matter was to be discussed with the National Economic Development Council next week.

Turning to the role of local government in the economy, Mr. Healey said that it was essential that local authority expenditure "*did not exceed the planned* level." As was known, he said, some degree of projected over*spending (by local authorities)* remained. "But I am confident that ways will be found" to bring such spending to an acceptable level. "They must be found," he said.

● Government spending cuts could force up accident insur*ance premiums for* local authorities, the Municipal Mutual Insurance Company, which covers 80 per cent. of British local authorities, warned yesterday. It is feared that road accident figures will rise as spending on road maintenance is curtailed.

Overseas aid raised to £432m.

By James Buxton

BRITAIN'S overseas aid increased by 22 per cent. last year to £432m. from £352m. in 1974. After deducting repayment on loans the net figure for 1975 was £388m., compared with £309m. in the previous year.

In a report to the OECD the *Ministry of Overseas Develop*ment says that the aid programme for 1976-77 should be *£559.3m.* gross *(£515.8m. net)* and the aid programme should grow by 16.5 per cent. by 1979-80, the subject to revision in the annual survey of public expenditure. The programme escaped the latest round of expenditure cuts. Sixty per cent. of British aid is *tied to purchase of British goods* and services.

Of last year's £432m. gross, £298m. or 69 per cent. was in grant form, £97m. or 23 per cent. in interest-free loans, and £17m. or 4 per cent. in loans provided at fixed concessionary rates of *interest. Some £298m. was* in bilateral aid, the rest being multi-lateral assistance.

The British Aid Programme, 1975; Cmnd. 6544; HMSO; 50p.

New Rover plant meets cost li[...]

BY DAVID FISHLOCK, SCIENCE EDITOR

AT A COST of £27m., British Leyland's new vehicle assembly plant for the Rover SD 1 was held within the 10 per cent. contingency allowed, during a period of unparalled inflation and rising costs.

This was claimed last night by Mr. Alec Sanders, who as Rover Triumph's director of production engineering was in charge of the "green-field" project at Solihull.

With the help of two large models, he described a "completely new factory using also an entirely new paint process and new assembly methods," which Rover Triumph had built in only 27 months and put into production earlier this year.

Mr. Sanders, now managing director of the Coventry plants of Alfred Hebert, was delivering this year's Viscount Nuffield Memorial Paper to the Institution of Production Engineers, under the title "Construction of a car plant for the 1980s."

One major innovation in the SD 1 plant is the way it isolates the workforce of the car body paint plant—more than a quarter of the 3,000 per shift employed in the factory—from the heat, smell and *noise of the process itself.*

The paint plant is built on three floors, with most of the workers in a "clinically clean" environment between the two floors containing the automatic painting system.

Another major innovation is the organisation of the assembly line workers, who are grouped in teams of about a do[...] which they are free [...] from job to job. "We [...] go as far as we co[...] flexibility without los[...] cipline of the moving [...] Mr. Sanders. A lot o[...] were culled from L[...] production.

The entire assemb[...] raised over six fee[...] ground on a mezza[...] allowing a complete [...] tered floorspace [...] manoeuvring of truc[...] ing components to [...] points.

The plant is design[...] 3,000 large luxury-cl[...] week, but is sufficien[...] to assemble larger nu[...] cheaper model.

CBI resentful over extra 'tax'

BY ADRIAN HAMILTON

THE GOVERNMENT will have to convince industry that "once again high hopes have not been dashed by inappropriate decisions irrelevant to the agreed industrial strategy," Lord Watkinson, president of the CBI, warned yesterday.

Lord Watkinson, who is due to see the Prime Minister on Friday, gave a clear indication that industry's resentment over the imposition of additional national insurance contributions would not be easily assuaged.

This "ill-judged decision," he said, was a "clear breach of the industrial strategy" which had removed much of the hard-won gains that companies might have achieved by next April from the *mitigations of the Price Code.*

Industry had not been consulted about the move, which *amounted to not a cut in* Government expenditure, but a direct addition to company taxation.

Lord Watkinson, nevertheless, defended his decision to make a CBI initiative on the industrial strategy at the last NEDC meeting. He indicated that the CBI would continue to do its best at the next meeting "to get things back on the rails in the national interest."

His speech, coming before his meeting with the Prime Minister and the next NEDC meeting on *Wednesday, suggests that the* CBI is maintaining its huffy public posture over the insurance contributions; *while still* co-operating on the strategy meetings—albeit with less enthusiasm.

Investment boost urged in Scotland

By Ray Perman, Scottish Correspondent

THE GOVERNMENT must now face up to the longstanding problem of low investment by private industry in Scotland or suffer the bleak prospect of continuing high unemployment and *poor production,* says a quarterly economic commentary review by the Fraser of Allender Institute.

It estimates that North Sea oil production is masking the fact that traditional Scottish industries are lagging behind those in the rest of the U.K. in *recovery from the recession.*

Although real gross domestic product (aggregate volume of output) for Scotland this year will be 5.4 per cent. above 1975, *most of the increase is attribut*able to oil. The contribution from the rest of the economy is 2.1 per cent. compared to an estimated 3 per cent. for the U.K. *as a whole.*

The recession in Scotland reached its lowest point in the first half of the year and the recovery so far has been led by export demand and fuelled by industry restocking and by private housebuilding. However, *the commentary warns that there* are grounds to believe the recovery might begin to fade early next year as public expenditure cuts begin to bite, personal spending declines and raw material costs rise.

Professor says South-East is in decline

THE SOUTH-EAST of England is "the goose that ceased to lay the golden eggs," according to Dr. Peter Hall, Professor of Geography at Reading University.

In the current issue of New Society Dr. Hall says there is more unemployment, deprivation and poverty in the South-East than anywhere in Britain.

The reason is that so many people live there: just under 17m., or 30 per cent. of the population on just more than 12 per cent. of the surface.

"To-day the South-East is still Britain's most economically successful region—but by the standards of an economically unsuccessful country." It rates 17th in the table of incomes of *the 49 EEC regions.*

One reason London should cease to attract is that manufacturers can get better buildings outside London, as well as a regular and reliable workforce with good transport,

Fewer in medical schemes

BY ERIC SHORT

MEMBERSHIP of private medi*cal insurance schemes fell* 9,000 last year, according to the annual review by Lee Donaldson Associates on behalf of the Department of Health and Social Security.

This is the first time membership has fallen for 25 years.

But the report, issued yesterday, points out that this fall is less than 1 per cent. *of member*ship, which was 1.1m. at the end of 1975.

The fall resulted entirely from individual membership, *where all the subscriptions are* paid by the member. The number of members belonging to *company or group schemes* continued to rise. These now account for one-third of membership.

The report shows that the number *of* new members last year (107,000) was lower than in the previous two years, but the number of lapses *(116,000)* was the highest ever.

Subscription income in 1975 was more than £55m., a rise of £9m. from the level of the pre*vious year.*

Claims paid by the provident associations amounted to £43m. This represents 82 per cent. of the total medical costs of £52m. incurred by members and shows the degree of underinsurance.

The report says spending per *subscriber averaged £22,* well below the national average spending on the National Health Service. Total private medical care payments were little more than 1 per cent. of NHS spending.

Conference to discuss remuneration

THE PROBLEMS *created* by the pay code, continuing inflation and the radical changes in the tax treatment of many employee benefits in the Finance Act, 1976, as they affect management trying to administer monetary rewards for employees, will be *analysed at a conference on* employee benefits, organised by the Financial Times, at the Royal Lancaster Hotel, London, on September 15 and 16.

Experts on taxation, employee benefit services, personnel management, pensions and invest*ments will be among those speak*ing at the conference, which will be chaired by Mr. H. E. Roff, chairman of MSL Group International, and Mr. John Methven, director general of the Confederation of British Industry.

OBITUARY: LORD FEATHER

A man of the grassroots

BY JOHN ELLIOTT

LORD FEATHER, who died early yesterday at the age of 68, general secretary of the TUC from 1969 to 1973, will be remembered as the man who played a leading part in steering the trade union movement through its most difficult period of confrontation with Governments since the 1926 General Strike.

During his period of office, the TUC fought off both the Labour and the Conservative Governments' strike laws and also refused to come to terms with the Conservatives over pay policies. But while this may seem a negative period, it can also be seen as a time during which the groundwork was being prepared for the "social contract" between the TUC and the Labour Government. For the stormy period during which Vic Feather was dominating TUC affairs, demonstrated the limits of Government power in relation to trade unions.

Negotiator

An expert negotiator and conciliator—able to cajole or bully as the mood took him—Lord Feather steered the TUC through this period and then, at the age of 65, retired just before the miners' strike swept the Conservatives from power and a new hard-line partnership between his successor, Mr. Len Murray and Mr. Jack Jones of the Transport and General Workers' Union helped establish a new order.

He had to retire before the things for which he had worked became possible with subsequent political changes. These were an understanding with the government of the day on pay and strike policies and a removal of the TUC boycott of the Common Market. He did however leave the TUC stronger, with a string of industrial committees, and was active in the international union arena. He was President of the European Trades Union Confederation and after his retirement he took on other part-time posts, including the chairmanship of the Northern Ireland Commission on Human Rights.

For Lord Feather, becoming general secretary of the TUC in 1969 when his predecessor, Mr. George Woodcock, left to become chairman of the now defunct Commission on Industrial Relations, was the summit of a lifetime's ambition. He had been born into the Labour movement in Bradford in 1908 and lived for it from his early years when, as a boy, he learned his socialism at the feet of Mr. Frank Betts, father of the then Miss Barbara Betts, now ex-Minister Mrs. Barbara Castle. Barbara, as Lord Feather often remembered in later years, went off to university while he stayed behind helping her father to produce a Labour broadsheet while working at the Co-op, an early interest in journalism to which he added a skill as a cartoonist.

Later these interests broadened and he became a collector of modern art and sculpture and amassed an enviable collection of paintings and sculpture in his TUC headquarters office. One of his other passions was cricket—he nearly became a Yorkshire professional instead of a union activist—while his spare time was spent at a Northamptonshire mill-cum-cottage to which he retreated at week-ends and where his son, Mr. Sandy Feather, now lives.

Little time

But Lord Feather gave himself little time to enjoy these leisure interests. From the time he joined the TUC as a young assistant in 1937 till his retirement, he lived for the trade union movement. One of his early jobs at the TUC was keeping in contact with local trades councils. This was to lead him into confrontation with Communist Party activists, whom he stoutly opposed with the fervour of a man to the Right of centre of Labour's political spectrum. But while this anti-Communist campaign was to make him some enemies on the Left, the main legacy of his trade council work was a country-wide network of grass-roots union contacts which he turned to good use during his general secretaryship. Throughout his lifetime at the TUC he nourished these contacts, tramping the country to attend the most obscure meetings.

Gradually, Vic Feather moved up the TUC headquarters ladder, eventually becoming assistant general secretary to George Woodcock. The two men had little in common. Mr. Woodcock being withdrawn and aloof while Lord Feather was to emerge as an outward going, humorous character to whom most people could warm.

In fact Mr. Woodcock was busy laying the foundations of trade union power in Whitehall which, despite the confrontations with Governments which followed, were to re-emerge in Lord Feather's pay policy talks with the Conservatives. But first he had to handle the confrontations. He played a key role in helping to kill off Barbara Castle's *In Place of Strife* strike laws—and his early childhood relationship with her did nothing to help during this period. Here all his skills as a patient operator both behind the scenes and in the front line came to the fore. He eventually struck the TUC's "solemn and binding" deal under which the proposed laws were withdrawn and he took on a personal role operating a new TUC procedure for handling inter-union and other disputes. "Vic the Fixer" was born: but his honeymoon period with the Press and the public did not last long, for he, and the TUC, were blamed for every strike that was not solved.

One other central criticism remains from this period. It stems from the defeat of the Labour Government at the 1970 general election. There is an argument that a more withdrawn, cool character than Lord Feather—someone in the Woodcock mould—would have "fudged" the issue of the *In Place of Strife* strike laws and would not have forced the Labour Government to give way on a key plank of its policy.

This is speculation. But the Conservatives did win and Lord Feather and the trade unions found themselves saddled both with a new set of strike laws in the Industrial Relations Bill and with a hard line on pay policy with the Government "informally" forcing down the going rate of pay deals through its influence in the public sector. Lord Feather found this a traumatic period. For the first time in his life he was facing an adversary, in the Heath Government, which was not interested in making deals. But once the shock of this had worn off the TUC swung into action against the then Industrial Relations Bill and made it largely ineffective.

The Conservatives' pay policy also foundered and Mr. Edward Heath, who as Prime Minister developed a growing respect for Lord Feather, started talks on a possible deal with the TUC. But the talks collapsed because the Conservatives were not prepared to negotiate on certain items.

Support

Lord Feather also swung the TUC more into open support for Labour, changing the strict non-party line adopted by Mr. Woodcock. He was a highly political person, able to galvanise people into action and to put over the "grass roots" as well as the macro-economic aspects of the TUC. But he was also a sensitive man. One of the criticisms he most bitterly resented at the time was that in fighting the strike laws, he had "led the trade unions out of Whitehall and back into Trafalgar Square," so reversing the achievements of Mr. Woodcock. What, in retrospect, he showed was that the TUC could exist in both arenas at the same time.

TRIBUTES

LORD FEATHER'S blunt Yorkshire manner and his deep love of the arts were qualities repeatedly referred to in the many tributes paid, following his death in University College Hospital, London, early yesterday.

The former general secretary of the TUC was admitted to hospital after suffering a brain haemorrhage last Saturday. He had previously suffered lung cancer, but was recently declared fit.

The Prime Minister, Mr. James Callaghan, said Lord Feather embodied "all the traditions and ideals of the Labour movement which I most admire" and represented for the whole country "all that is best in British trade unionism." His passing was a great loss not only to the Labour movement, but to the country.

Mr. Edward Heath, who had close contacts with Lord Weather during discussions on the 1970-74 Conservative Government's economic policies, said his judgment on what could be achieved was almost invariably fair. "Although he never hesitated to express his differences with those with whom he was dealing, he always had the national interest at heart."

Members of te TUC general council stood in tribute to Lord Feather at their meeting yesterday. His successor as general secretary, Mr. Len Murray, said that everything Lord Feather did was done with, and for, his fellow men.

"Most of them probably do not realise just how much they owe to Victor Feather. Nor would he have wanted them to. The fight, the struggle, was satisfaction enough for him."

Mr. George Woodcock, who preceded Lord Feather in the job, described him as an extremely loyal and hard-working member of the TUC staff for over 30 years who, when he became general secretary, "proved a powerful leader and a skilful organiser at a time when the unions faced their greatest modern threat from the law."

From the other side of industry Sir Campbell Adamson, former director general of the CBI, said that as a person Lord Feather was full of kindness and unselfishness and as a trade unionist was completely honest in his convictions. "He had deep principles and always fought hard for what he believed in."

LABOUR NEWS

Social contract mapped out for next three years

BY CHRISTIAN TYLER, LABOUR STAFF

MANY OF the Labour movement's policy goals are costly in terms both of economic resources and Parliamentary time, says the statement on the next three years of the TUC-Government social contract, published yesterday.

"The question of priorities is therefore at the heart of this further statement of our policies: only by adopting such an approach can we avoid raising false expectations," says the TUC-Labour Party liaison committee in its document "The next three years and the problem of priorities."

The Labour Government had shown "a sense of direction, credibility and achievement" in spite of economic difficulties, and the TUC's vote last month for another 12 months of pay restraint demonstrated "the tremendous value to the nation" of the Government-TUC relationship.

After listing Labour's legislative record, the statement says that the social contract is a relationship for good times as well as bad, and stresses the need to reduce Britain's overseas debt and balance of payments deficit now that recovery is under way.

Dealing with the public expenditure programme, it argues that a return to full employment will reduce the public sector deficit significantly. "In theory we could let public expenditure go up and try to pay for it by big increases in taxation. But this would cut the pay packet or raise prices and put intolerable strains on our policy for beating inflation."

The Government had "kept its nerve" in the face of an "orchestrated campaign of pressure for immediate and savage cuts in public spending."

The statement concedes, however, that new policies could not be afforded, however desirable, unless current projects were dropped or postponed.

EMPLOYMENT: The liaison committee calls for rapid expansion of the economy over the next three years and the creation of 1m. jobs, particularly in manufacturing industry. There should be progress towards a training and job creation effort like that in Sweden. With 300,000 leaving school every year, the aim should be for all youngsters, including the handicapped, to have a job, training or further education.

INDUSTRIAL STRATEGY: The aim is investment at home rather than abroad, and planning agreements with at least the majority of the top 100 companies.

An investment reserve fund should be set up out of company profits, with withdrawals related to the economic cycle and the industrial strategy. The National Enterprise Board should have funds of up to £1bn. a year.

There should be "closer public supervision" of the financial institutions, and possible extension of the public sector to ensure that the system acts "in the public interest."

The Government should hold an urgent inquiry into short-term capital movements and exchange rate changes.

BALANCE OF PAYMENTS: Trade unions should be involved in the fixing of import penetration ceilings, company by company. Selective policies should include action on purchasing by public bodies, on industrial bottlenecks, and on selective import controls.

North Sea oil and gas, and coal would boost the balance of payments. Oil revenues should be used for the benefit of the U.K. as a whole, but also aid Scotland, Wales and other development aeras.

PRICES: The abolition of price control would not necessarily lead to an improvement in investment. Controls would need to become more sophisticated and selective, with special attention to monopoly or semi-monopoly industries.

A special subsidy is urged to help people pay sharply increased fuel bills. The Government should "seriously reassess" its food subsidy plans, and reappraise the EEC Common Agricultural Policy.

INDUSTRIAL DEMOCRACY: The promise of legislation in the 1976-77 session is welcomed. It should provide organised workers in large companies with the right to parity representation on the main policy Boards of their companies. Trade union training was vital here.

DEVOLUTION: Separatism is "totally rejected" and the White Paper on devolution welcomed.

SOCIAL POLICY: Conceding that many of the aims are "extremely costly in public expenditure terms," the statement calls for a wealth tax in the next Parliamentary session and progress towards a consensus on limiting top salaries.

Of the Government's decision to delay the child benefit scheme, the statement says: "We believe that the full introduction of this important reform must go ahead."

EDUCATION: More teaching for the under-fives, young workers and adults, particularly for those who leave school early.

HOUSING: A "fairer" system of housing finance, with special help for local authorities in high-cost city areas. Tax relief for private buyers should be the same as that enjoyed by the basic rate taxpayer. "Building societies need to be more closely supervised, possibly by a new state agency."

Steps should be taken to license estate agents.

CONSTRUCTION: The statement calls for a high level of homebuilding and improvement, and progress towards decasualisation of the labour force. Public enterprise should have a "powerful stake" in the industry.

TRANSPORT: Consideration of integrated transport policy will include "careful examination" of the idea for a national transport planning authority.

Civil servants threaten to halt legislation over staff cuts

BY DAVID CHURCHILL, LABOUR STAFF

CIVIL SERVANTS in the Department of Trade and Industry are threatening to "black" implementation of the legislation to nationalise the shipbuilding and aircraft industries in protest at the Government's plans to cut staff throughout the Civil Service.

Details of these cuts are expected to be announced in the Commons to-day by Mr. Charles Morris, Minister at the Civil Service Department, following another round of talks with leaders of the Civil Service unions last night.

The unions were given final details of where the £95m. package of cuts already decided will fall, but the Cabinet still has to decide on the remaining £45m. of manpower costs savings which will total £140m. over the next three years.

The decision to "black" all new legislation going through the Trade and Industry Departments came yesterday from a sub-group of the Society of Civil and Public Servants representing about 4,000 clerical and executive civil servants in both departments.

This group, whose decision is expected to be ratified at to-day's national executive meeting of the society, intend their action to emphasise the anomaly of increasing their workload while at the same time cutting staff levels.

Delay

Their decision will first affect the Aircraft and Shipbuilding Industries Bill, which is expected to become law by the end of this Parliamentary session. Industrial action would substantially delay implementation of the Bill and could effectively stop it if other Civil Service unions join the "blacking."

The civil servants' protest is intended to draw public attention to the substantial reduction in public services resulting from the Government's proposed cuts.

As previously reported in the Financial Times, these include fewer staff for investigating social security and tax frauds, and reduced visits to old age pensioners and the disabled in their homes.

The overall effect of the £140m. cuts will be the loss of about 35,000 non-industrial Civil Service jobs.

A further 24,000 jobs in the Ministry of Defence are to be cut as a result of separate cost reviews.

Racialists condemned by TUC

By Our Labour Correspondent

THE TUC general council yesterday condemned the "racialist and divisive" activities of certain groups, particularly the National Front, and agreed to co-operate with the Labour Party in a campaign against racialism.

The TUC also called on British Leyland International to bring pressure on its South African subsidiary to take a lead in recognising a black African trade union—the Metal and Allied Workers' Union.

The monthly general council meeting also expressed concern at widespread newspaper coverage of fraudulent social security claims. While opposed to all abuses of the social security system, the TUC is worried that people entitled to claim benefit might be deterred from doing so because of this adverse publicity.

It is estimated by the TUC that about 500,000 pensioner families do not claim the supplementary benefit to which they are entitled.

Walkout at Concorde test centre

BY OUR LABOUR STAFF

BRITISH Aircraft Corporation fitters and electricians who are disrupting Concorde testing at Fairford, Glos., yesterday refused management instructions to work despite warnings that they will not be paid.

Workers have been blacking the third £30m. Concorde, which is undergoing final acceptance trials before delivery to British Airways, since June 18 in protest against proposals to close the Fairford flight test centre.

The management warned more than 40 fitters, electricians and ancillary staff who are taking the action that if they did not work normally they would not be paid. About 16 men on yesterday's day shift were told to work and, after refusing, were given an hour to reconsider. They then refused again and left the airfield.

The British Aircraft Corporation plans to transfer the test centre to Filton, near Bristol, where British Concordes are built, but with a smaller labour force. Most of the 280 Fairford workers are not taking part in the blacking and these are being found alternative work by the management.

BAC management is refusing to recognise a combined shop stewards' committee at Fairford as the negotiating body in the dispute.

Dock manning strike ends

NEARLY 600 dockers who have been on strike over manning at Liverpool since last Thursday voted yesterday for an immediate return to work. Employers and the men's union will discuss the issue.

APPOINTMENTS

Chairmanship change at Coutts

Sir Seymour Egerton, chairman of COUTTS AND CO., is to retire from that post on September 25 but will remain on the Board. Mr. David Money-Coutts, who is to succeed Sir Seymour, will continued as managing director. Sir Seymour joined Coutts and Co. in 1946 and became chairman in 1951. He is deputy chairman of the Phoenix Assurance Co., a director of Romney Trust and a regional director of the National Westminster Bank.

Mr. Money-Coutts entered Coutts and Co. in 1954, became a director in 1958 and was appointed executive director (now re-designated managing director) in 1970. He is deputy chairman of Gerrard and National Discount Company and a regional director of the National Westminster Bank in the South East.

See Men and Matters, Page 16

★

The following changes in the directorships of certain Group companies have been made as a result of the retirement of Mr. J. D. McCall as chairman of CONSOLIDATED GOLD FIELDS on June 30, and the appointment of Mr. R. C. Ryan as managing director of Consolidated Gold Fields Australia from May 1. Australia: Mr. G. J. Mortimer, a deputy-chairman and group chief executive of Consolidated Gold Fields, has become a director of Consolidated Gold Fields Australia, following the resignation of Mr. McCall from that Board. Mr. Ryan joined the Board of Associated Minerals Consolidated on June 3. Mr. R. I. J. Agnew, an executive director of CGF, joined the Board of Commonwealth Mining Investments on June 18 (following the resignation of Mr. Ryan as a director of CMI) and the Board of Bellambi Coal Company on June 22. Mr. Mortimer was appointed a director of CMI on July 15, subsequent to the resignation from that Board of Mr. McCall. South Africa: Mr. Mortimer and Mr. M. E. Beckett, an executive director of CGF, were appointed directors of Gold Fields of South Africa from July 1 to fill vacancies created by the resignations of Mr. McCall and Mr. Ryan from that Board. U.K.: Mr. R. L. Whiting, an executive director of CGF, was appointed a director and elected chairman of Alumasc from June 11, in succession to Mr. Ryan. U.S.: Mr. Agnew was appointed a director of Azcon Corporation from July 1 following the resignation of Mr. McCall from that Board.

★

Mr. Geoffrey Dodsworth, Conservative MP for South West Herts., has been appointed a director of GRINDLAYS BANK. Mr. Dodsworth joined the Grindlays Bank Group in 1969 and became managing director of the international banking department of Brandts (now Grindlay Brandts) in July, 1975, with executive responsibility for the group's international Euro-currency lending, shipping and export finance. He is also responsible for the Grindlays Brandts leasing business. Mr. Dodsworth is also chairman of the United Kingdom Equipment Leasing Association and vice-president of the Federation of European Leasing Associations.

★

Mr. M. G. Wilcox has been appointed a member of the EXPORT GUARANTEES ADVISORY COUNCIL and will become deputy chairman in succession to Mr. J. A. R. Staniforth, whose five-year term ends on July 31. Mr. Wilcox is a director and chief general manager of Midland Bank and a director of subsidiary and associated companies of the Midland Bank Group.

★

MORGAN GUARANTY TRUST COMPANY has announced the promotions to assistant vice-president at its London office of Mr. Roy V. Jacobs and Mr. Christopher F. Hoysted. Mr. Jacobs is responsible for the bank's methods and systems and data processing group, and Mr Hoysted heads its personnel division.

★

Following the death of Mr. A. J. Stagg, engineering director of THOMSON REGIONAL NEWSPAPERS, Mr. Arthur F. C. Montgomery, the present production director, has been appointed production and technical director of the company. Mr. Martin Bourn, who was chief engineer to Mr. Stagg, has become chief engineering superintendent.

★

Professor A. L. Diamond, who, as already announced, has accepted appointment as director of the Institute of Advanced Legal Studies, will be giving up his appointment as a Law Commissioner in September. He will be succeeded by Dr. Peter M. North.

★

Mr. A. J. Bray, an associated member of the Stock Exchange, has been appointed institutional research director of CHARLES STANLEY & CO., stockbrokers.

★

CENTRAL MANUFACTURING AND TRADING GROUP: Mr. R. L. Lewis, presently managing director of J. Norton and Son (Steels), has been appointed chairman of the steel stockholding division from August 1. Mr. J. D. Norton continues as chairman of the metal processing division and as a main Board director.

★

Mr. S. V. Weber and Mr. G. M. W. Oakley have been appointed additional non-executive directors of ABEL MORRALL. Mr Weber recently retired as chief executive of Aero Zipp (U.K.). Mr. Oakley, an associate member of Margetts and Addenbrooke, stockbrokers, recently became a member of the Stock Exchange.

★

Mr. Graeme Andrews has joined the Board of HAYMARKET PUBLISHING as a publishing director.

★

Mr. John Petty has been appointed engineering director of BSP INTERNATIONAL FOUNDATIONS.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● COMMUNICATIONS

New banking links

PENETRATION of the U.K. banking market by Datasaab is continuing with yesterday's announcement that Scandinavian Bank has taken delivery of the first two Datasaab machines which will form the heart of a network of keyboards and displays, printers and links with the SWIFT international bank communications system.

The processors will be situated one at the bank headquarters in Leadenhall Street and the other at the Crutched Friars premises.

Scandinavian has a large foreign exchange business, as well as loans and deposits, leasing and trust and fund management and various capital market *operations*. One of the Datasaab minis will be devoted to foreign exchange handling in the main and a design principle for this system has been that all departments concerned should have access to the computer all the time. For this reason, switching facilities will be provided so that the second machine can act as a fall-back when required.

The SWIFT link is important because Datasaab will be able ultimately to market its SWIFT interface software based on the D5-30 mini (as ordered by Scandinavian) *in all countries served* by the network. This SWIFT software was written for Datasaab by SPL.

D5-30 is at the top of the D5 series and has already been ordered by Britannia Building Society and successfully installed at the Central Trustee Savings Bank. Similar equipment forms the basis of the massive network set up in the Nordic countries to serve local branches of the Savings Bank organisation there, and the com*pany has also penetrated the* North American market against fierce competition.

One of the reasons for Datasaab's success is the way in which the equipment is made—mainly to military specifications on the same production lines as are used to make the on-board computing equipment for the Viggen fighter.

Datasaab, CSC House, North Circular Road, London NW10 7UG. (01-903 3921.)

Gives the level on the line

OPERATING over the 10 kHz to 100 MHz range is the PSM-14 from Wandel and Goltermann, intended mainly for high accuracy selective level and attenuation measurements on telephone circuits.

It is equally suitable for development, commissioning or maintenance work on all narrow and wideband carrier frequency systems at around the radio link intermediate frequency of 70 MHz. The system can also be used for testing and aligning filters in this band.

There are two basic units, selective level meter SPM-14 and generator unit PSS-14. The synchronous tuning of both the generator and receiver takes place through the locking and sweep oscillator built into the level meter.

Frequency setting is continuous—there are no ranges—and indication is on a seven digit counter with resolution down to 10 Hz. The level measuring range extends from −120 dBm to +20 dBm and the inherent noise level is below −126 dBm (bandwidth 360 Hz). More from 40 High Street, Acton, London W3 (01-992 6791).

● COMPUTERS

Simulates read-only memory

A SYSTEM that will stimulate *read-only memory (ROM) during* microcomputer development and which allows the development engineer to produce a punched paper tape for ROM programming once the software has been developed and tested using the simulator has been introduced by Intel.

Each ROM simulator module consists of a high speed 130 ns 8k bit random access memory board which plugs into the Intellec MDS microcomputer development system, together with an interactive software *program More from 4 Between* Towns Road, Cowley, Oxford OX4 3NB (0865 771431).

Univac 1100 for Scan and Quotel

CRC Group, which runs the SCAN and Quotel on-line inquiry and quotation bureaux for stocks and shares data, life and motor insurance, has decided to replace its existing IBM 360/40 and Univac 418 machines with a Univac 1100/11. The machine will be leased and has committed CRC to some £1.2m. over the next eight years.

The installation will allow scope for expansion that would not otherwise have been possible, and with restrained costs. SCAN (stockmarket computer answering service) has 70 terminals in operation, while Quotel is servicing 240: both are a mixture of direct line and dial-up. Expansion beyond a total of 400 is feasible without major enhancements to machine or software. For users, response time will be reduced from the current 10 to 12 seconds down to 2½ seconds.

Will run on any machine with Cobol

A COMPREHENSIVE financial file analysis and information retrieval package that will run on any machine that supports *Cobol has been introduced by* Leonard Griffiths and Associates, 61 Grosvenor Street, London W1X 9DA (01-409 2039).

Called Fairfax, it is available as a *licensed package* or as a turnkey service under which the company's staff will create any report the customer desires.

Main interest will be to finance directors, comptrollers, audit managers and senior partners in accounting practices who need to have "exception basis" reports as quickly as possible.

● PROCESSES

Marking on non-porous surfaces

STEEL STRIP, shrinkwrap film, polystyrene trays, rubber backed materials (carpet), wax or plastic coated cartons, vinyl tapes, and similar products with non-porous surfaces, while travelling on conveyor lines, can *be marked with the* Lawco Flexoreel unit, introduced by Lawtons of Liverpool, 60 Vauxhall Road, Liverpool L69 3AU (051-227 1212), an Ofrex Group company.

Using interchangeable rubber type, the machine can mark varying or standing data (codes and dates and trademarks) on a individual items on a conveyor, or continuous material from a reel. A range of type faces is available.

The print area is up to ½ x 15 inches, and a 180 or 360 degree cam action gives random or registered printing as required. Units can be mounted left and right, above and below the conveyor line, permitting marking on all sides in one pass.

How to save expensive water

PRESSURE on companies to save water in every way possible is increasing, but many companies, particularly the smaller ones, have no time and relatively little expertise to devote to what can be, in some cases, an extensive redesign of operating procedures.

To advise on water saving, a multi-disciplinary group has been set up by Quantum Science and Environmental Resources, able to call upon the services of about 100 engineers and scientists who have been engaged in water processing techniques for most of their working lives.

The group points out that while water-intensive industries are hard-hit at the moment, the situation could also affect the water-reliant industries—that is operations where relatively small amounts of water are used but where if water is cut off, the process line has to stop. Electronic circuit manufacture is a case in point.

The group is offering various services to companies who are likely to be threatened. T[...] run from an assessment situation and a report on the design, selection, install[ation] and commissioning of m[...] equipment designed to rec[...] process water for reuse.

Quantum Science is at 27 George's Road, Cheltenham, G[...] GL50 3DT. Cheltenham (02[...] 33220.

● ELECTRONICS

Package for outside broadcasts

THREE British companies and their Australian agent have landed an export contract for one of the first sound outside broadcast mobile units to be used by the ABC—Australian Broadcast Commission.

Link Electronics, Rupert Neve and Co., and Dell Coachbuilders have been working on the project with Magna-Techtronics, main local contractors to ABC.

The sound recording vehicle will be built by Dell and fitted with sound equipment by Neve at Malbourn, Herts. Link also is supplying and fitting CCTV *equipment and part of the technical installation.*

Two or three people will operate the installation which will have a Neve console built to ABC *specification and able to* handle 40 input channels fed to a 16-track recording unit by Ampex.

The unit will be on show at the International Broadcasting Convention being held at the Grosvenor Hotel in London, September 20/24.

Link Electronics on Andover (0264) 61345.

Tubes in several sizes

A NEW range of travelling wave tube amplifiers with output from 10 to 200 watts has been announced by English Electric Valve Company, Chelmsford, Essex CM1 2QU (0245 61777).

Intended for instrumentation and system application, one group of tubes covers 4.5 to 16.5GHz in powers from 25 to 200W while the other c[...] generate frequencies from 3.5 to 14GHz and supply 10 or 20W.

Typically the units [...] protected by front pa[nel] mounted circuit breakers and tube is protected aga[inst] premature HT application, [...] *overload, arcs and* colle[ctor] over-temperature.

● METALWORKING

Lightweight welder unit

RCA SOLID STATE engineers at Liège, Belgium, have developed a high-frequency electric welding system that could lead to the development of high-efficiency portable welding tools.

Advantages include simple arc ignition, continuous power regulation, and a high-stability arc, simplifying use with a variety of materials including cast iron and stainless steel, plus a 10:1 reduction in weight brought about by the elimination of the heavy 50Hz mains transformer.

The operating frequency is 30kHz which means that the system can use a small ferrite-cored transformer instead of this *large transformer.*

The design of such a high-frequency power system has been made possible by RCA's development of fast-switching *asymmetrical silicon controlled* rectifiers (ASCR's). Only by using these components is it possible to design a high-power 30kHz converter to produce the *energy dissipated in an electric* arc.

Continuous adjustment of the power in the arc is provided and the circuit operates in a free-running mode. Frequency can vary from 26 to 33 kHz, depending on the load applied to the transformer.

The major difficulty in designing a converter for welding applications lies in the extreme conditions of the load, which can be open circuit, short circuit and negative resistance (during welding). These three extremes are handled by three separate circuits: one protects the thyristors against the high amplitudes during no-load conditions; one limits the current under short-*circuit conditions to a value com*patible with the characteristics of the transformer; and the third adjusts the damping of the oscillator circuit to regulate power *during welding.*

Efficiency of the circuit is approximately 80 per cent. The cost is projected to be competitive with currently available 50Hz welding equipment, while offering the outstanding advantages of a 10:1 reduction in weight.

RCA, Sunbury-on-Thames, Middlesex. Sunbury 85511.

Hardfacing cost cut

IN THE Russian journal "Welding Production" (Vol. 22, No. 10, page 64) there is a brief description of a technique, claimed to be new, for the hardfacing of internal combustion *engine valves.*

Using a semi-automatic machine, the working surface of the valves is hardfaced by "freezing-on" an alloy based on nickel, chromium, boron and silicon. No further details of the process are given, but it is said that the use of this new hardfacing process, instead of the customary oxyacetylene hardfacing with cobalt Stellites, gives a saving of 30 to 40 per cent. in the cost of the finished valve.

Throughput is up to 200 valves/hr, with valve dimensions of 30 to 60 mm diameter disc, 8 to 12 mm diameter spindle and 110 to 200 mm length. Power requirement is 44 kW.

The journal says further details of the machine (the OB-1098) may be obtained by writing to SSSR, Moskva, V-330, Mosfilmovskaya, 35 (telex 7565).

● ENERGY

Power saver industry to double

DOUBLED sales, reaching £7,067m. (at end-1975 value) in 1985 from £3,639m. last year, in *the European Common Market's* heating, cooling and lighting industries are forecast in a new study by Frost and Sullivan.

A major revitalisation of EEC's electrical fixture, hardware and energy-conservation supply and equipment industries in under way following upon the 1973 Arab oil embargo.

EEC countries are aiming at a 15 per cent. energy reduction, equivalent to 225m. tons of oil, by 1985. Priorities call for widespread application of modern insulation, more effective control *systems and improved ancillary* equipment.

Ambitious plans are being made to increase the internal supply of nuclear power and other primary energy including coal, oil and geothermal, as well as more far reaching programmes in the solar, tidal power, wind and nuclear fusion fields.

While heat pumps and their *associated equipment have prime* growth, significant expansion is also predicted in such product and equipment areas as air conditioning, solar panels, insulation, double glazing and monitoring instrumentation and controls.

The 248-page study finds that though national policies and wealth will largely govern the development of each country's needs, the overall drive is towards the integration of EEC systems and practices.

With a £1,715m. share of the 1985 EEC market, Britain will soon have new systems replacing outmoded domestic electrical heating units. Rapid growth *is expected* in heat pumps and control sectors.

Eire's smaller market will be valued at £75m. in 1985. Its commercial-industrial sector will demand expanded use of conservation systems with air-conditioning sales increasing considerably over the next ten years. "An important problem will be how to improve the energy economy of its many remote villages," the study warns.

West Germany, with a £1,645m. market share by 1985, is expected to increase dependence on electricity. Insulation will be in much greater demand and *domestic air-conditioning is* also likely to grow fast. Sales in the industrial-commercial sector will be spurred by far greater acceptance of heat pumps and the next decade will see technologically-advanced models claiming more than 50 per cent. of the market.

France is projected to outpace both Britain and West Germany *in the use of heating, cooling and* lighting materials and equipment and to have a market share of £1,810m. by 1985. Emphasis will be on solar panels and control systems. Government support should stimulate sales of heat pumps.

Further from BAS Industrial Consultants, Mile Ash, Radlett, Herts. Radlett 6367.

PARLIAMENT

SHIPBUILDING BILL

Kaufman in row over tribunal findings

BY JOHN HUNT

BRISTOL CHANNEL Ship Repairers was the centre of fierce clashes in the Commons yesterday when Mr. Gerald Kaufman, Minister of State for Industry, said that earlier in the day an industrial tribunal in South Wales had ruled that there was a real possibility that the company had victimised 13 men who claimed they had been sacked because they were in favour of nationalisation.

Mr. Daffyd Wigley (Plaid Cymru, Caernarvon) angrily claimed that the decision of the tribunal had been held back until yesterday for political reasons. In fact, he said, the ruling had been made on May 26.

He accused Mr. Kaufman of committing an offence of which he should be ashamed.

According to Mr. Wigley, the case had not involved a political dismissal. The Transport and General Workers' Union had taken up the matter on the grounds that there had been inadequate consultation. The company had not produced its case to the full before the tribunal and it now intended to appeal against the ruling.

The clashes came as the Welsh Nationalists with the support of the Conservatives attempted to exclude ship repairing from the Government's proposals for the nationalisation of the shipbuilding and aircraft industries.

Most of the arguments centred on Bristol Channel Ship Repairers. The Cardiff company has been running a massive publicity campaign to stave off nationalisation — much to the anger of Labour Left wingers.

The Nationalist amendment to exclude ship repairing was moved by Mr. Wigley as the Commons moved into the second day of guillotined debate on the Aircraft and Shipbuilding Industries Bill. The vote on third reading of the Bill takes place to-night (Thursday).

The Nationalist amendment was defeated by a Government majority of six (302-296).

Mr. Wigley argued that the company had a first-class labour relations record and had not suffered a strike for the past eight years.

But Mr. Kaufman then intervened to produce a local newspaper report about yesterday's ruling of the industrial tribunal. He said the tribunal had decided that the men had been unfairly dismissed after they had heard a test case brought by one of them.

Obviously believing that he had cut the ground from under Mr. Wigley's feet, he added, to triumphant shouts from his Left wingers: "I hope MPs who have been taken in by the glossy propaganda of Bristol Channel Ship Repairers will see what lies below that glossy surface when they cast their votes."

Angling for the support of the Welsh Nationalists, he said that he knew that all the Plaid Cymru MPs were good trade unionists who would not wish to be associated with the kind of activity which he had described. He hoped they would reconsider their association with this management.

Mr. Kaufman also told the House that despite conducting a campaign agains nationalisation, Bristol Channel Ship Repairers had now come to the Government for £20m. of assistance in order to finance part of a proposed £40m. dry dock at Port Talbot.

He also took Mr. Wigley to task for claiming a "magnificent" industrial relations record of the company. In fact, said the Minister, between 1967 and 1969, there had been a strike there which had lasted for two years.

Needless anxieties had been created, he said, by the management's claim that nationalisation would result in the closure of the company's yards. He emphasised that the Government had no such plans.

Moving the amendment, Mr. Wigley maintained that nationalisation of ship repairing would not lead to the industry being run in a more democratic manner. It would only mean that faceless capitalists would be replaced by faceless bureaucrats.

The Bill gave no guarantee of jobs at all and the Government had given no justification for including the industry in it. It was a service-based industry which needed to be flexible and to respond quickly in a competitive international market.

"These are not the characteristics we have seen in the centralised nationalised corporations since the war," he observed.

Bristol Channel Ship Repairers was a highly profitable company which had ploughed back most of its profits into industrial investment. Last year only 10 per cent. of profits of the company went to divdends, he said.

MR. GERALD KAUFMAN
Produced newspaper report

abour vote ·verse ır EEC ·ections

hilip Rawstorne

UR'S National Executive ittee yesterday decided to the party conference this n to vote against direct ns to the European Parlia-

recommendation will go delegates with a Transouse document setting out guments for and against elections.

gh Mrs. Shirley Williams Ir. Fred Mulley, argued ly that the party should to terms" with EEC rship, they were heavily abered.

Eric Heffer, who led the tion to the introduction of elections, secured a 17-3 ty.

ng the discussion, Mr. Callaghan said it was un- that Britain would be for direct elections by the target-date set by the Brussels summit.

he Commons later, Mr. Hattersley, Minister of at the Foreign Office, i Mr. Heffer that the ment would take the conference decision into t.

e Government has asked litical parties for their on direct elections. , the views of the parties matter of such constitu- importance have to be into account," he said.

il debate ·used

OUR MPs demand for an ncy debate on British routes and fares plans was d by the Speaker in the ns yesterday.

Raphael Tuck (Watford) MPs' attention to a BR which he said "fore- ed" a reduction in passen- ites to 2,500 miles, a man- reduction from 190,000 to , and doubling of outer a commuter fares.

he arteries through which feblood of a nation flows osed, that nation will die," uck said.

ontreal ·it cost

OST to public funds of the r of Sport, Mr. Denis to the Olympic Games at al was £2,060, MPs were sterday.

written reply, Mr. Howell had been accompanied private secretary.

NEC move to oppose rebel Scots MPs

By Philip Rawstorne

NEW LABOUR candidates are to be selecte—d to contest the seats of the two Scottish Labour rebels, Mr. Jim Sillars and Mr. John Robertson, who earlier this week formally broke with the party in protest over the public expenditure cuts.

Labour's national executive committee yesterday gave its approval to their local parties in South Ayrshire and Paisley to choose replacements for the next general election.

The move is bound to widen the rift with the two MPs and throw further doubt over their future voting support for the Government in the Commons.

The NEC yesterday also rejected an appeal by Mr. Frank Tomney, MP for Hammersmith North, against moves by his local party to replace him as Labour candidate at the next election.

Race tension growth deplored

LABOUR'S National Executive, which is to launch a national campaign in the autumn to ease racial tensions, yesterday passed a resolution deploring their recent growth.

The motion, proposed by Miss Joan Lestor, recognised that fears about the economic situation produced a sense of insecurity, but totally rejected any tendency to blame immigrants or ethnic minorities for causing the problems.

The motion added: "We particularly deplore the acquiescence of influential sections of our society in the negative view which fails to take account of the economic, social and cultural benefits which immigrants have always brought to Britain."

All-night sitting

MPs yesterday morning ended another all-night sitting—this time totalling nearly 20 hours. They were completing the remaining stages of the Licensing (Scotland) Bill which relaxes Scottish drinking laws.

It was the fourth all-night sitting for MPs this month.

Minister stresses fishing zone must be 'adequate'

BY JUSTIN LONG, PARLIAMENTARY CORRESPONDENT

COASTAL BELTS for the U.K. under the EEC's fishing limits policy would have to be adequate, and their adequacy would be the only basis on which the policy would be acceptable to the Government, Lord Goronwy-Roberts, Minister of State, Foreign Office, assured the Lords last night.

Ministers in both Houses were urged to stake Britain's claim to a 200-mile exclusive economic zone around our coasts.

In the Commons, Mr. Anthony Crosland, Foreign Secretary, told MPs that if there were any unnecessary delay in the current EEC talks on fishing limits, then Britain would not have the slightest hesitation in taking unilateral action.

"We are now preparing legislation to make that possible, if it is necessary," he added.

In the Lords, Lord Goronwy Roberts stressed that what Britain was seeking in the negotiations was a coastal belt of variable width from 12 to 50 miles which would include the fishing grounds of greatest importance to the U.K.'s industry.

He pointed out that the issue had been raised in the Council of Ministers and there had been discussion about it between member States concerned, and in the European Commission.

"No one should be in any doubt about the importance which the Government attaches to this issue or to the strength and determination which our negotiators will apply to the discussions."

Lord Kennet, opening the debate from the Labour backbenches, contended that if Britain claimed a 200-mile exclusive zone around her coasts, this would give us the legal right to make arrangements with our EEC partners.

The Government should consult fishing interests and make decisions about the routing of pipelines over which it was impossible to fish.

Lord Campbell of Croy, for the Opposition, said that the 200-mile zone should include not only fisheries but oil, gas and the control of pollution and traffic.

Impending 200-mile declarations by other countries would mean that our fishing fleet would have to operate nearer home in future. The EEC Common Fisheries Policy would not apply in the new world of 200-mile limits, Lord Campbell maintained.

When determining the exclusive fishing area, the Government should remember the areas such as the West coast which might become important as new types of fish were sought.

Lord Mackie, from the Liberal benches, said that progress in the Law of the Sea Conference had only been achieved because of the acceptance of unilateral actions of individual States.

It was important to have an exclusive fishing zone so that it could be adequately policed. Many foreign vessels were using illegally small nets.

Lord Boothby, from the crossbenches, said that herring had disappeared from the North Sea. He strongly supported the suggestion that there should be a 50-mile fishing limit. This was absolutely essential.

Lord Hoy, on the Labour backbenches, said there had to be a new agreement between Britain and Iceland. Until important policy decisions had been taken, the fishing industry would be unable to plan its future.

Lord Vernon, on the Tory side, said the Government should be formulating plans now on how our own exclusive fishing zone should be managed.

Other EEC countries would have to realise that Britain's coastal areas were vital in terms of employment and fish production.

MP claims espionage cover-up

THE GOVERNMENT was accused in the Commons yesterday of an attempted cover-up of industrial espionage by the American National Security Agency.

Mr. Tom Litterick (Lab., Selly Oak) said that the agency was using its four communications facilities in Britain to monitor commercial organisations in violation of a 1947 agreement.

The agency, he claimed, was relaying the information to U.S. counterparts.

Calling on the Government to review operation of the agreement, Mr. Litterick accused the agency of "covert subversion of British economic interests."

Mr. Roy Hattersley, Foreign Office Minister of State, told him: "It is a long-established practice of the House that the Government does not comment on matters of this kind."

Mr. Litterick later accused Mr. Hattersley of "explicitly refusing to answer." He appealed to the Speaker: "How are my rights as a member of this House to be protected from the self-assumed powers of the Executive to define arbitrarily what is sensitive and what is not."

The Speaker, Mr. George Thomas, promised to see if there was any way he could help, but added that none of the five speakers he had served under had been able to find a way. "I doubt whether I shall."

Transkei recognition doubtful

THERE IS strong evidence that Britain should not recognise the black South African State of Transkei, which is due to become independent later this year, Mr. Ted Rowlands, Foreign Office Minister of State, told the Commons yesterday.

Replying to Mr. John Pardoe (L. Cornwall N), Mr. Rowlands said Britain would use normal judicial criteria in deciding whether to recognise the new State. "But on present evidence, we do not think we should recognise Transkei."

Mr. Bruce Grocott (Lab, Lichfield and Tamworth) said the South African Government's policy of setting up a "so-called independent State" was cynical.

"In no sense can this State be recognised as economically or politically independent. It would be a great help to those people who are struggling towards majority rule if the British Government made plain that under no circumstances will they recognise the Transkei," he declared.

MP to leave hospital

MR. WILLIAM MOLLOY, Labour MP for North Ealing, is "very satisfactory and going home at the week-end," a spokesman at King Edward Memorial Hospital, West London, said yesterday. Mr. Molloy has been recovering from a kidney stone operation.

Tory's 'death strip' remark can hinder detente, says Minister

A TORY backbencher who referred to the "death strip" between East and West Berlin was rebuked by Mr. John Tomlinson, Foreign Office Under-Secretary, in the Commons yesterday for his "unhelpful approach to relations with Russia."

Tory MPs protested when the Minister told Mr. Victor Goodhew (C., St. Albans): "That approach will give comfort to certain people, including Mrs. Thatcher in the speech we understand she is about to make, but it does not help us in seeking detente."

Mr. Reginald Maudling, shadow Foreign Secretary, intervened to protest at the Minister's "strange indignation."

Mr. Tomlinson told him: "It would be rather in the interests of those who want to see the detente policy work, to use more temperate language when we are describing the problems."

The exchanges came after several backbenchers had urged the Government to raise with the Russians their refusal to issue exit visas to people wanting to be re-united with their families.

Mrs. Helene Hayman (Lab., Welwyn and Hatfield) said we should make clear to the Soviet authorities, if only in private, concern felt in Britain about cases like that of Miss Ida Nudel, who wanted to join her family in Israel.

Mrs. Margaret Bain (SNP, Dunbartonshire E.) said letters sent by MPs to "prisoners of conscience" in the USSR including some written in Russian, were returned by the Soviet Embassy without any reason being given.

Mr. Tomlinsen said the Government would not be satisfied until all the provisions in the Helsinki final act had been put into effect by all the signatory States, but proper assessment should wait until the review conference on the agreement next year.

Mr. Tomlinson added: "It would not be helpful to enter into detailed cases. Progress is more likely to be made through private representations rather than public complaints."

He stressed: "The Soviet authorities cannot be in any doubt about the strength of feeling that cases such as that of Ida Nudel arouse in this country."

Mr. Phillip Whitehead (Lab., Derby N.) said some of the dissidents had been put into mental hospitals. "Some of them may be dead before the review of the Helsinki agreement," he declared.

Mr. Tomlinson: "Representations have been made. You can rest assured that the Government will continue to take every opportunity of pressing these cases."

Saving of £2m. on arts budget

THERE WILL be a saving of £2m. on the planned expenditure of the arts budget for 1977-78, Education Secretary Mr. Fred Mulley said in a Commons written reply yesterday.

Mr. Mulley added: "About half of this will be found from capital expenditure for housing the arts and for the accommodation of the national museums and galleries.

"The remainder will be found from current expenditure. The Government will decide on the details when I have considered the proposals for the 1977-78 estimates."

Child tax allowances

CHILD TAX allowances are given for 500,000 children who are not resident in the U.K., Financial Secretary to the Treasury, Mr. Robert Sheldon said in a Commons written reply yesterday.

Mr. Sheldon said: "The estimated cost of these child tax allowances, at the rate for children under 11, is £45m."

Bank holiday in Scotland

MONDAY, June 6, 1977, will be designated as a bank holiday in Scotland to mark the celebration of the Queen's Silver Jubilee, Scottish Secretary, Mr. Bruce Millan, announced in a Commons written reply yesterday.

BOOKS

Fire in the blood

BY C. P. SNOW

François Mauriac by Robert Speaight. Chatto and Windus. £6.75. 232 pages

Elizabeth Gaskell by Winifred Gérin. Oxford. £5.75. 318 pages

There is no progress in art. Picasso is not better than van Eyck, he is just different. It is curious that people who believe in progress nowhere else, least of all in the tiny triumphs which have made human existence more tolerable for many, cheerfully assume as a matter of faith that the latest thing in art is the best: that is, that Samuel Beckett at the Royal Court is necessarily more advanced than *King Lear* or the *Oresteia*. I have met French aesthetes, otherwise not certifiable, who *take it as an axiom that the nouveau roman* was an improvement on Proust.

In fact, with the death of Proust in 1922 the great era of the novel was over. In France the powerful tradition, carried by writers not of Proust's genius but of major talent, survived for a generation longer. There were at least four such writers, conceivably half a dozen, not including Gide, who was not a creative novelist at all. Of the four I am thinking of, Colette was the supreme mistress of the actual, Roger Martin du Gard the most intelligent and wise, Jules Romains the most artistically inventive, Mauriac the most intense. It would be interesting to know which of these four *is now being read either in* France or in this country. Possibly Colette, probably not the others. Yet they are novelists who would have stood out as masters in any literature.

It is good that Robert Speaight has now published a study of Mauriac, somewhat too short, devoted more to the novels than the life, admiring rather than hagiographical, but lively *enough to spark curiosity* in a remarkable writer.

Mauriac was a devout Catholic and (it is obvious from his novels as well as from hints which Mr. Speaight lets out) a man of fervent erotic passions. There is, of course, nothing odd about this combination. Religious feeling and sexuality are often *inextricably* meshed, and the failure to recognise that simple truth is responsible for *much misunderstanding between* guilt-ridden believers and antiseptic unbelievers.

In his art, Mauriac had to give just treatment to those two aspects of his nature. He said himself: "If I had not been a Christian, no one could have better depicted the physical aspect of human passion." That is perfectly true. The only rivals might have been Tolstoy or conceivably Maupassant. Mr. Speaight sensibly comments that Mauriac's work is all the stronger for this restraint, and *that if a writer wishes to convey* the force of sexual passion, the last thing he should do is to *describe it. If anyone needs an* object lesson, he has only to read *Anna Karenina*. There is not a *word in the book one couldn't* have used to a Victorian aunt—and yet the heat of sexual passion steams off the pages, as much as from any piece of literature ever written. The same is true of Mauriac. He knew the darkness and light of sex, he loved it, he wrote it as be loved it, one trusts both his knowledge and his passion.

One trusts him utterly about sex. *Does one trust him* as much about religion? I shouldn't wish to distress anyone's faith, *but I don't. I don't mean* that he was faking—or rather, I do mean that he was sometimes faking without knowing it. All writers do this sometimes—a characteristic modern form is to fake either more hope than one feels or alternatively, more despair. This can be done for the best of motives and can *emerge from somewhere below* the fringe of consciousness. But art is merciless, and though the *writer intends to be honest* the text shows him up.

With Mauriac—and with other Catholic writers, more perhaps than with those of other faiths—it shows him up in some of the trick detective-story-like endings, when a soul is supposed to be saved by a ritual act. Compare the ridiculous end of *Le Fleuve de Feu*, which has as much religious conviction as if one placated God by touching all the lamp-posts in one's street.

Even Mr. Speaight, who is writing as one dedicated Catholic about another, and who *swallows* most of Mauriac's religiosity along with the real religion, *can't avoid protesting. But, in* terms of art, not of conscious honesty and principle, the flaw in Mauriac runs deeper than that. No one can fail to miss the difference in artistic truth—*and above all in certainty of* verbal touch—between the passages dealing with sacramental exercises and those dealing with the sexual life.

Mauriac with Gide at Aix-en-Provence in 1949—from the book reviewed to-day.

Not only the sexual life. Incidentally, endowed Mauriac with his strength and certainty of verbal touch. In his last years, when he was out of tune with *the novels of the 1950s* and, despite his Nobel prize, sensitive that the literary climate had turned *against him, he became* one of the best and most courageous of polemical journa*lists, and the most serious* and eloquent supporter of de Gaulle. It says a lot about and for de Gaulle *that he could attract* the devoted loyalty of writers of the quality of Mauriac and Malraux *and take them into his intimate* circle. That would have been entirely impossible for Churchill or Roosevelt.

Mr. Speaight's book loses something by his unquestioning identification with his subject's faith, but it has plenty of hard information and some nice grim flashes of humour. Such as the account of Claudel's response to Mauriac getting the Nobel—very curious, said Claudel, that an *international award should be* given to a regional novelist. That has claims to be the most obtuse demonstration of literary envy so far on record.

If Elizabeth Gaskell had been *born in France in the 1880s* instead of two generations earlier in England, she would have made *a creditable addition to the group* of post-Proustian novelists. She had much in common with R. M. du Gard — goodwill, strong intellect, human perception — though she hadn't his speculative mind. She was the kind of not-quite-great writer on which great literatures are built. She was also a good woman married to a good man, which is extremely rare in literary history or any other history.

Winifred Gérin has made her reputation by her Brontë biographies, much praised in many quarters, including this one. *All* one need say of her *Elizabeth Gaskell* is (a) it is entirely fitting *that Mrs. Gaskell, such a* generous biographer herself, should get one of our best con*temporaries to deal with her and* (b) the book is as good, though not as tumultuous, as any of its Brontë *predecessors*.

Fiction

Speed merchants collide

BY ISABEL QUIGLY

The Malacia Tapestry by Brian Aldiss. Cape. £3.95. 312 pages

The Four Sergeants by Zeno. Macmillan. £3.95. 256 pages

Travesty by John Hawkes. Chatto and Windus. £3.00. 128 pages

In *The Malacia Tapestry* Brian Aldiss has invented an entire way of life, a city and landscape, with its social customs, relationships, ideas, politics and possibilities, entirely outside the present but certainly not in any science-fictional future of the sort he is best known for. His illustrations, drawings by Tiepolo and Francesco Maggiotto, give its flavour: they show a mixture of the exotic and the familiar, the stench and picturesqueness, the tyranny and arbitrariness, of an 18th-century world somewhere in the eastern Mediterranean — its accent Venetian, Levantine, maritime, adventurous; also crowded, over-ripe, superstitious, mythologically inclined, all emblems and half-formal, half-voluptuous imagery. The city-state of Malacia is dedicated to keeping things as they are—the world and its ideas firmly outside, a life of squalid luxury within.

Riches are propped up by extreme poverty, beggars jostle with elegant ladies, sedan chairs with mule-carts, mountebanks with priests and soothsayers. Religion has ceded entirely to necromancy, magic, astrology and predictions. Over the city part-human creatures with the gift of flight float in the sunshine. The people think themselves descended from dinosaurs, and a few prehistoric beasts, saurian and solid, with centuries' old initials scratched on their scales, *still lurk in* semi-zoo-like, semi-heraldic state around the grander houses.

Names are a mixture of East and West, Byzantine, Greek, late Roman, *middle-eastern*. Perian de Chirolo, the narrator, is a young actor whose involvement in the *doings of a strange invention, the* zahnoscope, changes his life and fortunes — *for the machine (clearly an interloper in the un*changing world of Malacia) through the action of light and its *inventor, the suspect Otto* Bengtsohn, puts pictures upon glass and is believed capable of *thus telling stories, catching* action.

Not that the story matters much: what counts is the inventive verve, the extraordinary, unpedantic thoroughness with which the world of Malacia is conjured; its appearance conveyed, its concepts taken for granted, its whole atmosphere made credible and quite quickly familiar.

The Four Sergeants could hardly be more different—a *straightforward adventure story* set in the Second World War, a possible though not actual incident during *the Allied invasion* of Sicily; yet a very long way ahead of most straightforward adventure stories in intelligence, characterisation and style.

A bridge has to be blown up near Etna, to stop the German retreat to the Italian mainland, and 43 parachutists are dropped into wild country to do it. Four outstanding sergeants are to be the "leaven" in this already outstanding group, composed entirely of volunteers and in*cluding 11 European Jews who* have changed their names but cannot escape their accents—German, Polish, Czech. *None of* these can be captured: they know it, and it gives them a desperate edge of courage. Then, without any medical help, even curable wounds quickly become mortal. And with the local Mafia as temporary, highly paid allies, any sort of civilised behaviour, any sense of being "better" than the enemy, is soon lost (a German spy is tortured with gruesome simplicity, then killed).

The mission continues, in the charge of the senior sergeant (who has killed the officer, *wounded in the parachute* jump). The Jews are put together for a last stand and achieve a *sense of Masada-like* exaltation, despair and solidarity. And the mission accomplished *with so much terror and loss* proves pointless after all—the Germans have already pulled out. *This highly intelligent novel, with* the trappings of the thriller and the cliffhanger, is really a novel *of character; about the destiny* of people, the patterns of behaviour and the nature of such *things as courage and ruthless*ness, about the things that war and expediency do to the decent, *and the latent power in the* seemingly ordinary.

And John Hawkes' *Travesty* is *another sort of novel*, another sort of experience again, a novella set in a speeding sports car *on its way to destruction* in the south of France. The driver talks aloud (or internally, perhaps), and we get the idea, more or less, of how and why. With him are his best friend and his daughter, who is the best friend's mistress (so is, or was, the man's wife). In about an hour they will all end at top speed against a hugely thick wall, a tangle of metal bursting into flame, in which mere flesh is nothing, not even padding.

The driver knows the road so well he can manage top speeds in the dark, even across a Roman aqueduct which seems an obvious place for suicidal murder (or murderous suicide): past his own villa, where his wife lies sleeping, on to the chosen spot beyond the aqueduct, while the daughter vomits in the back and her lover tries to grab the steering wheel, a dangerous business at speeds so enormous.

With ironic tenderness and ferocity the driver goes back over the past, to a life of accomplished sensuality, in which sensation was considered and dealt with as an art; and looks ahead in the same spirit to violent death, coolly planned and envisaged, as the poetic climax of such a way of life.

The contained, explosive writing, extraordinarily vivid, lucid, functional and suggestive, as it needs to be to conjure terror and beauty at the speed of death rather than life, makes the experience authentic: a kind of peeling of the spirit in a small, hot space — physically and temporarily: the car, with only minutes ahead of it in which to examine and sort out a lifetime.

High life

BY T. C. WORSLEY

Berry and Co. by Dornford Yates. Ward Lock. £3.50, 244 pages

Jonah and Co. by Dornford Yates. Ward Lock. £3.50, 235 pages

Adele and Co. by Dornford Yates. Ward Lock. £3.50, 240 pages

I look back with amazement to an adolescence in which I was at one time entranced by Dornford Yates and his "Berry Books." Was I ever that much of a roaring snob? Did I once mistake this overwritten persiflage for wit? Had I so little taste that I could accept the purple passages—double-dyed purple—for fine writing? Apparently it was so, and I am ashamed, for more vulgar, ill-*written books it would be hard* to imagine now.

Dornford Yates: "a roaring snob"

The characters are a closely knit group of cousins who share a version of 1920s high-life in a quaint country house in Hampshire (White Ladies) where they are both over-servanted and over-cared. The blue Rolls-Royce limousine is the pride of the garage, but it is accompanied from time to time by impressively smart two-seaters.

Their lives are filled out with *a supply of quite ingeniously* devised minor contretemps which they neatly get out of each time *thus making in Berry & Co. and Jonah & Co.* a collection of short stories of the length suitable for *the railway bookstall magazines* of their day, the Strand, Pearson's and such.

Adele and Co. is more acceptable since it is a consecutive thriller on its own, and the action, which is Dornford Yates's strongest asset as a writer, leaves slightly less space for the persiflage, the snobbing and the purple passages. But only *slightly: the ingredients remain* the same. Jonah, the major, is the practical one, Boy is the *narrator, and Berry the fall guy* to whom every kind of accident and misfortune happens, things *which he meets with tirades of* a stunning imbecility which send the women of the party (but not *this reader) into peals of happy* laughter.

The women are atrociously *treated by their author: they are* all variations on the "dainty rogue in porcelain" theme—not a drop of real *blood—even blue* blood—between them.

Dornford Yates's peers were Hornung (*Raffles*), Buchan and Wodehouse: and he falls very short in comparison. He is nearest to Wodehouse only in the sense that he, too, was aiming at an enclosed fantasy world. Their gracious living was to riot unchecked by any reference to life. But his colours are laid on with a trowel, heavy-handed and clumsy. I cannot foresee any chance of a revival of interest in him—or wouldn't, unless I remembered how steeply ingrained snobbery is in the English middle-class soul.

Wordy stuff

BY ANTHONY CURTIS

The Concise Oxford Dictionary: Sixth Edition edited by J. B. Sykes. Oxford, £4.75. 1,368 pages

6,000 Words: A supplement to Webster's Third New International Dictionary. Longman, £8.50. 220 pages

Time was before these days of universal credit ("Trust in person's ability to pay at later time for goods etc. supplied") when *C.O.D.* meant the "forwarding of goods against cash to be paid to postman or carrier," but to people in the book trade for the past 60 years *C.O.D.* has always meant the *Concise Oxford Dictionary guaranteed to* give a boost ("push from below; assist") to the cash-flow in that it sells 300,000 copies a year. The work has just entered its sixth edition: "the most radical revision yet undertaken" claim the publishers, edited by J. B. Sykes, a former research physicist and technical translator with the Atomic Energy Authority.

You will not find credit-card, oddly, but you will see Eurodollar, Euro-crat, Euro-vision, petrodollar, golden handshake, parameter, identikit, urban guerilla, along with many other newcomers from far and wide.

The English language has always welcomed immigrants and owes its incomparable richness to that policy. It would be naive of us to express our angst (both here) against neologisms by trying to set up an Academy Franglaise to sit in judgment on words and issue them with labour permits. We prefer to bow to more independent authorities of which *C.O.D.* is normally the most readily accessible, another being *The Complete Plain Words* by Sir Ernest Gowers, published by H.M.S.O.

Consider the question of "hopefully" about which some puristic people become quite violent when it is used to mean "it is hoped that." Sir Bruce Fraser in the latest edition of Gowers (1973), writes:

> This new use of hopefully has been lambasted on both sides of the Atlantic but it continues to spread. It is of course quite illogical, but that is not fatal to its survival. Idioms are apt to be obstinately illogical, and it seems to me quite likely that the new use of hopefully will establish itself as a new idiom.

We now find confirmation of this view in *C.O.D.* which gives the word its imprimatur in this sense.

On the other side of the Atlantic, *6,000 Words: A Supplement to Webster's Third New International Dictionary*, which is one of a great number of Webster's dictionaries and reference books now being distributed in this country by Longman, bestows U.S. citizenship upon "hopefully" and quotes among other examples that good *New Yorker* writer the late S. N. Behrman using it to voice a Beerbohm-like sentiment—"*this* mask might, hopefully, become indistinguishable from what one *actually was.*" *Hopefully*, then, the case is now closed.

Webster gives many supportive quotations from modern writers, a useful practice *C.O.D.* leaves to its senior siblings the *N.E.D.* and the *Shorter Oxford*. One could spend endless fascinating hours comparing Oxford and Webster on the latest imports, but one or two examples *must* suffice.

C.O.D. says that "speedball" *is slang for* "a mixture of cocaine with heroin or morphine," whereas Webster defines a "speed-freak" as "one who habitually misuses amphetamines esp. methamphetamine." *C.O.D.* considers "stagflation" to be a "period in which *inflation* occurs without corresponding increase of production," whereas Webster *says it is "persistent* inflation combined with stagnant consumer demand and relatively *high* unemployment."

For *C.O.D.* a "spin-off" is an "incidental result(s) esp. as benefit for from industrial or technological development;" Webster agrees, but gives as a primary meaning, "the distribution by a business to its stockholders of particular assets and esp. stock of another company." "Starkers" in English means simply "stark naked," but in American "it is chiefly Brit. completely unclothed, nude." In England a "hot-dog" is only a "hot sausage sandwiched in a roll of bread," but in America nowadays it also means "an exclamation of gratification or approval" and "to show off by performing fancy maneuvers sic—(as when surfing or skiing)."

C.O.D. gives for the Yiddish word "chutzpah," often used by critics of the arts, "shameless audacity," whereas Webster sees it as "supreme self-confidence: nerve, gall: 'flaunted her newfound grooviness with characteristic *chutzpah* by smoking a joint onstage—Ed McCormack'"—which I suppose comes to roughly the same thing in the end.

Of course it is not really fair to compare the two volumes because *C.O.D.* is not just defining new words but re-defining the old ones still in use as well. In this respect Dr. Sykes has done an admirable job and we will be frequently in his company for a long time ahead.

*** In addition to Merriam Webster Third New International Standard Dictionary (£59.25), other Webster works available from Longman include 7th New Collegiate Dictionary (£10.95), Collegiate Thesaurus (£8.75), New Idea Dictionary (£4.75), New Collegiate Standard (£8.75), New Elementary Dictionary (£4.75) and New Dictionary of Synonyms (£8.95).

U.K. ECONOMIC INDICATORS

	1976			1975	
General	July	June	May	July	J
Unemployment ('000s)	1,463.4	1,332.6	1,271.8	1,087.8	8
Unfilled vacancies ('000s)	*129.1*	*127.0*	*124.4*	*145.2*	1
	June	May	Apr.	June	
Currency reserves ($bn.)	5.312	5.423	4.848	6.198	6
Bank advances (£bn.)b	*14.466*	*14.309*	*14.196*	*13.646*	
Basic materials (1970=100)	297	290.6	285.2	227.7	[illegible]
Manfrd. prods. (1970=100)	217	214.8	211.5	189	[illegible]
Terms of trade (1970=100)	*79.9*	*79.6*	*80.2*	*81.4*	
Wage rates (July, 1972=100)	213.6	209.4	208	181.4	
Retail prices (Jan., 1974=100)	156.0	155.2	153.5	137.1	
	May	Apr.	Mar.	May	
Retail sales val. (1970=100)**	192.1	195.3	188.3	165.9	
HP debt (£m.)¶	2,356	2,320	2,297	2,284	
Industrial output (1970=100)	*103.1*	*102.1*	*101.1*	*99.1*	

	1976			19[illegible]	
Trade and Industry	June	May	Jan.-June	June	J
Imports f.o.b. (£bn.)	2.403	2.355	2.147	1.729	1
Exports f.o.b. (£bn.)	2.043	2.014	1.907	1.484	1
Visible trade balance (£bn.)	−0.360	−0.341	−0.239	−0.245	−0.2
Steel, weekly average ('000 tonnes)	438.4	468.6	443.7	341.8	4[illegible]
Cars ('000s)*	109	122	114.5	91	10
Commercial vehicles	29.0	32.4	31.1	27.7	3
	May	Apr.	Jan.-May	May	Ja M
Houses completed ('000s)¶	24.8	25.9	25.3	26.1	2[illegible]
Bricks (millions)*	445	467	453	421	4
Cement, weekly average ('000 tonnes)*	355	393	305	365	3
TV sets ('000s)‡‡	193	168	183	152	2
Radios, radiograms ('000s)††	229	217	310	384	3
Furniture (1970=100)†**	158	148	157.6	135	1
	Apr.	Mar.	Jan.-Apr.	Apr.	Ja A
Hosiery (1970=100)**	88	81	85	95	
Man-made fibres (m. kgs.)*	53.1	64.1	53.2	48.1	44
Petroleum (m. tonnes)†	7.052	7.970	7.392	7.575	7
Electric cookers ('000s)f†	74.1	70.4	73.6	79.1	77
Washing machines ('000s)†	65	74.7	76.5	118.2	94
Engineering orders on hand (1970=100)**	92	94	94.8	117	120
Raw cotton, weekly average ('000 metric tonnes)§	2.35	2.27	2.31	2.63	2.2
	Mar.	Feb.	Jan.-Mar.	Mar.	Jan Mar
Raw wools (m. kilos)	11.4	9.6	10.0	9.3	9.
Machine tools (£m.)†	*34.6*	*27.3*	*29.8*	*30.2*	*25.*

	1976		1975		
	2nd qtr.	1st qtr.	2nd qtr.	1st qtr.	Year
Consumer spending (£bn., 1970 values)	8.875g	8.912	8.839	9.041	35.41

	1976	1975			1974
	1st qtr.	4th qtr.	1st qtr.	Year	Year
Motor trade turnover (1972=100)	165	133	137	142.2	119
Building and civil engineering (£bn.)c	3.018g	2.998	2.844	11.610	10.22

* Production. † Deliveries. ‡ Net sales. § Consumption. ** Seasonally adjusted. †† All manufacturing industries. ‖ Excluding car radio ‡‡ Deliveries, U.K. made and imported sets. b From May, 197[illegible] onwards new basis of calculation refers to advances to U.K. pub[lic] and private sector. Historic figures on new basis not availab[le] d Prices. f Including cooker griller toasters. c Value of outp[ut] ¶ United Kingdom not seasonally adjusted. g First prelimin[ary] estimate. p Provisional figures.

Here comes everything

BY AUGUSTINE MARTIN

Selected Letters of James Joyce edited by Richard Ellman. Faber and Faber, £12.50, 440 pages

This selected edition of Joyce's letters is welcome for several reasons. It presents, under a unified editorial policy, the most interesting letters from the three-volume collection begun by Stuart Gilbert in 1957 and completed by Richard Ellmann in 1966. It contains a suite of new letters to Joyce's wife, Nora, and another to his benefactress, Harriet Weaver, which had been abridged or excluded from previous editions. *In it the editor makes full use of* his opportunity to bring the material into a coherent pattern. *We are thus given a sense of* Joyce's life and character which is more immediate and almost *as comprehensive* as that available in Dr. Ellmann's magisterial biography of 1959.

While the Joyce specialist may fall upon the letters to Harriet Weaver for their valuable commentaries on *Finnegans Wake*, the main focus of interest will be the sequence of letters written to Nora in the last months of 1909. These must be the most sexually outspoken letters of a writer ever published. The occasion was Joyce's return to Dublin in that year. There his friend, Cosgrave—Lynch in *A Portrait*—falsely asserted that he too had been Nora's lover when Joyce had been courting her in that passionate summer of *1904*. *Joyce wrote "within* the hour" to Nora with "tears of sorrow and mortification . . . *bitterness and despair.*"

The mood of uncertainty and suspense seems to have launched *him on a series of painful* fantasies about Nora and her physical relations with former *lovers. The letters that follow* reveal a love relationship remarkable for its emotional *range between the reverent* and the obscene—Joyce's word—its startling candour and *intimacy*. Indeed it is hard not to feel uneasy as one reads his plea to Nora that everything erotic and tender between them must be kept "*secret, secret, secret*." Yet it is fascinating to feel upon the pulses the raw experience of passion, observation and emotional complexity which are to undergo such a subtle sea-change as they reappear in the reveries of Stephen, Bloom and Molly in the fictional labyrinth of *Ulysses*.

From the earlier editions of the letters, and even from the biography, *I seem somehow* to have preserved an overwhelming sense of Joyce's frustrations—his bitterness *against Ireland*, the Church, the race of publishers. Though this remains, especially *in the early letters, the predomi*nant impression in this book is that of Joyce's remarkable variety of mood, pose, tone of voice. The ventriloquism that is such a feature of his fiction contrives to make him — and not only consciously—the most amusing of letter writers.

We hear him protest with Johnsonian dignity to the diplomat, Sir Horace Rumbold, *at his treatment* in the consulate at Zurich, and "crave" his Excellency for "that protection and redress from insult of violence which are the right and privilege of the least of His Majesty's subjects." (The gleeful scurrility of his reference to the same Sir Horace six pages later makes an arresting contrast.)

In between we find him making weird epistolary overtures to his near neighbour, Martha Fleischmann—model for Martha Clifford and Gerty MacDowell in *Ulysses*—in elaborate French: "I am 35. It is the age at which Shakespeare conceived his dolorous passion for the 'dark lady.' It is the age at which Dante entered the night *of his being*." He as yet does not know her name.

His reaction to the tragic *aftermath*, Martha's *suicidal* breakdown, is worthy of Odysseus himself. Her outraged "guardian" *descends upon him and Joyce* in a letter to Budgen tells how he coped:

> "Long interview wherein I displayed all that suave diplomacy, that goodness of heart, that understanding of others, that timidity which yet is courage, those shining qualities of heart and head which so often. . . . Result, stasis. Waffenstillstand."

Yet his letters to the ladylike Harriet Weaver are full of delicacy and decorum. A finer tribute to her sensitivity could *hardly be conceived than his* delightful potted parody of *The Waste Land* by means of which he described to her a journey in 1925. It begins: "Rouen is the rainiest place," uses the self-mocking refrain "Hurry up, Joyce, it's time," and ends "Shan't we? Shan't we? Shan't we?"

The social Joyce was profoundly theatrical. There his underlying sincerity was *refracted* through a variety *of* masks. As husband of Nora he wore no mask. There he insisted on a fierce and demanding authenticity. At the deepest level there was the artist. To him all else was sacrificed. These letters deliver the full Joyce.

In short—Ripper and Gurkhas

Jack the Ripper: The Final Solution by Stephen Knight. Harrap. £4.50, 284 pages

The murder of five East End prostitutes by Jack the Ripper in 1888 continues to haunt the imagination of later generations. This book claims to provide a final solution to the crime. The author has based his account on a story told to him by Joseph Sickert who states that he is a son of Walter Richard Sickert.

According to this account, the murders were the work not of one man but of Sir William Gull, the physician *in ordinary to* Queen Victoria and the Duke of Clarence's coachman, John Netley, assisted by Sickert. The reason for the crimes, which had been undertaken following a hint from Lord Salisbury, was to dispose of the women who knew of the alleged marriage of the Duke of Clarence to a Catholic shop-girl called Annie Elizabeth Crook.

Sickert, as a good Victorian, was interested in crime and mystery stories: the case of the Titchborne claimant fascinated him, *for instance*. Also, when the murders were taking place, he once frightened some girls by *telling them that he was Jack the* Ripper. He also claimed that he knew the identity of the murderer. He liked to tease and amuse, but to suggest that he was associated with the murders is preposterous.

The credibility of the allegation that Sickert was one of the Jack the Ripper gang must rest on the coherence of the story as a whole. The cornerstone of this is that his father, Oswald had met Princess Alexandra (later wife of the Prince of Wales) in Denmark and that she kept up with him when she came to England. But there is no evidence to confirm this, and significantly Mr. Knight does not include the autobiography of Sickert's sister, Mrs. Swanwick in his bibliography. There is too much special pleading in the book.

DENYS SUTTON

The Roman Forts of the Saxon Shore by Stephen Johnson. Paul Elek. £7.50, 173 pages

The Saxon Shore covered the south and *south east coasts of* Britain and part of the facing coast of the European continent. It was, in fact, two shores, not one. Why, then, did the logical Romans refer to it in the singular—*litus saxonicum* and not, as one might suppose, *litora saxonica*?

There can be little doubt, argues Stephen Johnson in his book, that by the end of the third century when the Roman Empire was in deep crisis, the system of forts erected on both sides of the Channel formed a unified military plan, most probably as a defence against seaborne attack by pirates, par*ticularly Saxons. The fact* that the Romans appointed a Count of the Saxon Shore—(*Comes Litoris Saxonici*) *supports* the argument. But a little doubt must remain, as Stephen Johnson acknowledges. Indeed, there is much that is not certain about this particular corner of the late Roman Empire. *The Roman Forts of the Saxon Shore* makes a considerable contribution towards making the probabilities as clear as archaeology and the one surviving reference from Roman times to the Saxon Shore permit.

It is a book primarily intended for the serious student of archaeology and related disciplines. But Stephen Johnson, who is Inspector of Ancient Monuments at the Department of the Environment, writes well and interestingly: one does not need to be dedicated to the subject to derive interest and pleasure from this book.

CHARLES CROOT

Better to Die by Edward Bishop. New English Library, £3.95, 157 pages

This book is a panegyric on *mercenaries. It is the story of the* Gurkhas and their service to the Indian and British armies from 1815 to the present day including their services in two world wars. And they were perfect mercenaries not only because they were excellent fighting men—Mr. Bishop leaves the impression that if our armies had consisted only of Gurkhas, we should have won our various wars a lot quicker than we did—but because *they were perfectly willing* to serve under British officers and to do just what they were told. *Even so, they proved they could* act on their own initiative in case of need at an early stage, and requested permission to pitch their tents with British soldiers, as being a cut above the sepoys. Loyalty, discipline, order, all these things so alien to our permissive age were and are characteristic of the Gurkhas and it would be a pity if henceforward they were to be confined to the role of only ceremonial soldiers.

ALLAN TODD

The Marketing Scene

Cadbury exorcises Black Magic

BY ANTONY THORNCROFT

E of the most exciting brand les for years in the £940m. confectionery market looks be on the cards for the mn. Black Magic, launched Rowntrees over 40 years ago, commands well over half the £35m. plain chocolate etions sector. Its great rival bury, which holds a third of l chocolate sales, has tried brands like Contrast and ething Special, to shake ck Magic's dominance, but little success.

ow it is selling in to the e Bournville Selection, which go on sale in August and supported with £250,000 of advertising in a six-week man burst.

ournville Selection is one those products which might e been introduced years ago. s based on the Bournville lded line, first marketed in and now holding 80 per of plain chocolate sales h grew rapidly from 1967 l 1973, when the high cost cocoa beans, and thus plain colate prices, depressed con- iption.

adbury claims that the sell in Bournville Selection is right target. This is something of achievement since the very weather in recent weeks has uced chocolate consumption up to 30 per cent. But Cad- y's dominance, the strength of Burnett's advertising (based und a £35,000 commercial ich stresses the company's torical expertise in contrast to escapist approach of Black gic and number two brand ry's All Gold), and even the ection of chocolates, seems to e convinced the trade.

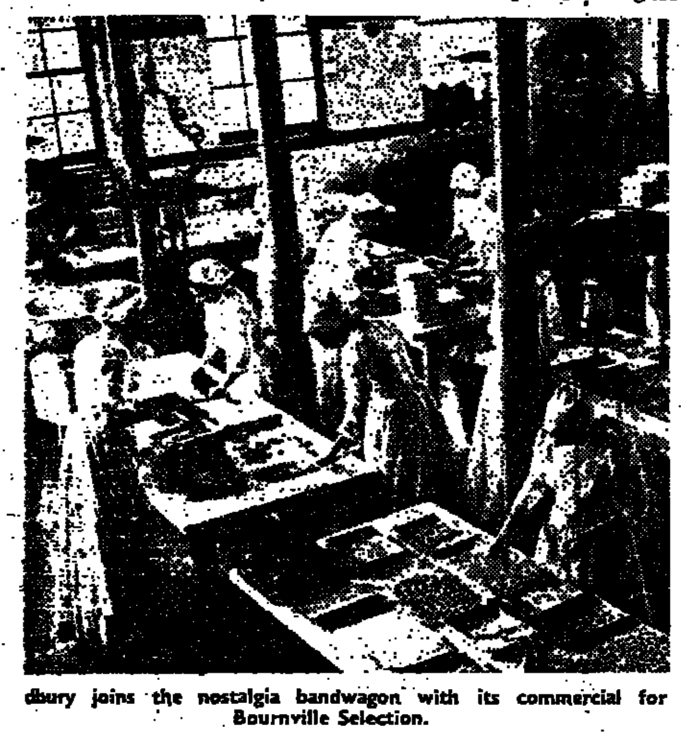
areth Hughes, the marketing ector, reckons that Bournville ection is "our most important brand for over 20 years." It unusual in going national from start, and the company hopes sales of £10m. by the end of 1977. Indeed its rather early launch and advertising—before the peak Christmas period — is linked to the fact that Cadbury-Schweppes is looking for retail sales of £4m. this year, despite the fact that at £1 14p a 1 lb box it is 5p more costly than Black Magic.

This year only a handful of new products are coming from Cadbury's, although they include a wafer, a previously weak area. This is a far cry from the early seventies when every ITV region would be given a new line in the hope that one or two would make it nationally. But the sharp rise in cocoa bean prices has taken some of the bounce out of the confectionery market.

This year Cadbury-Schweppes is still hoping for an industry turnover of £940m., which is £100m. up on the rather disappointing results of 1975, when the hot summer and the depressed economy led to sales £30m. below estimate. But if there is a £100m. rise in 1976 it will be mainly due to higher prices—Rowntree and Mars have already announced rises, and Cadbury has plans for an August increase.

Even higher prices may not compensate for the ravages of the weather, which will ensure that consumption per head this year will be around 7.4 ounces a week, the same as in 1975. The hot spell has upset all the forecasts and put great pressure on the marketing departments of the confectionery companies.

One solution has been to stop supplies to the stores, but some producers have attempted a more adventurous approach. Mars has used the radio to advertise the advantages of putting its Mars bars in the fridge, and Cadbury has made, at a cost of £25,000, a commercial for Cadbury Dairy Milk which shows this top selling count line being enjoyed in hot weather.



dbury joins the nostalgia bandwagon with its commercial for Bournville Selection.

NEW RESEARCH

Twelve good months for advertising

BY OUR MARKETING EDITOR

THIS is going to be a good year for the advertising industry, and 1977 is shaping to be even better. That is the message from the Young and Rubicam forecast of advertising expenditure over the next 12 months.

Y and R, with the help of a computer and Harold Lind of the Advertising Association, began its predictions on the advertising industry in January, and has been greatly encouraged by the accuracy of its forecasts to date.

Lind, a convinced believer in an advertising cycle related to the overall trade cycle, decides on the economic statistics that should be fed into the model, and for the first half of 1976 got television revenue spot on at £127m. gross, while the upturn in the Press came slightly earlier than predicted.

As a result, and helped (sadly) by a higher than anticipated inflation rate for the rest of 1976, total advertising expenditure this year is expected to be £60m. higher at £992m. (Rather irritatingly the Y and R forecast excludes production costs, directories, posters, cinema and radio and is consequently lower than the official Advertising Association figure.)

Set against the higher inflation rate the predictions suggest that the advertising business will show a real growth of 3 per cent. this year, raising advertising's share of the GNP to 1.09 per cent. (still well below the 1.39 of 1973). Television has made all the early running, but by the end of the year the greater increases will be in the Press, and, in particular, in classified advertising, which could be 35 per cent. higher than the admittedly low level of last quarter 1975.

Fortunately, the Y and R optimism extends into 1977, at least for the first half year. Real growth could be as high as 10 per cent., pushing up the GNP ratio to 1.16 per cent. But by the summer of 1977 television will be expanding only as fast as the anticipated inflation rate, and by the end of the year, and into 1978, advertising, led by television, may be embarked on a downturn.

The survey goes into detail on the forecasts, linking them to the underlying economic conditions which determine the amount of advertising expenditure, and assessing the prospects for the various sectors by quarter. At a cost of £4 it is a useful practical corrective to the wild optimism that seizes the advertising industry when things seem to be going well, and the even more unrealistic gloom that accompanies one of the inevitable downturns.

ADVERTISING EXPENDITURE FORECAST
(£m. at current prices)

		By Medium		Press by Type		Press by Medium		
	Total	TV	Press	Display	Classified	Industrial	Newspapers	Periodicals
1974*	761	176	585	287	218	80	434	71
1975*	817	208	609	317	205	86	444	79
1976	992	270	722	386	239	97	529	96
		Percentage Changes Year on Year						
1975	7.4	18.2	4.1	10.5	−6.0	7.5	2.3	11.3
1976	21.4	29.8	18.6	21.8	16.6	12.8	19.1	21.5

(I) Excluding production costs, directories, posters, cinema and radio.
(II). For comparison, the retail price index is assumed to rise by 17.5% in 1976.
** Actual figures*

CASH AND CARRIES

Big ten dominate

NO manufacturer of consumer goods can afford to ignore the cash and carry phenomenon which is growing out from its early concentration on grocery lines to be an important source of supply for the small retailer in markets stretching from children's clothing to DIY.

So the latest study from the Retail Outlets Research Unit at Manchester Business School, part financed by the Institute of Grocery Distribution, seems cheap at £8. It looks at the density of cash and carry wholesalers and examines the changes between 1972-76. In this period the sale floor area rose by 39 per cent. while the number of depots declined by 10 per cent.

The report underlines the concentration in the industry — in 1972 the 10 largest companies had 44 per cent. of the floor space; they now have 60 per cent., while the next 25 firms operate 18 per cent. between them. The size and growth of the main operators is spelled out, showing that Wheatsheaf now runs over 12 per cent. of all the floor space, followed by Nurdin and Peacock with 8.5 per cent. and Booker McConnell with 8.3 per cent.

Among the other interesting facts are the density of floor space in various parts of the country, showing that while the West Midlands by 1971 was 20 per cent. more densely developed than any other region, it still increased its floor space by 50 per cent. in the next four years. Wales in contrast continues to be lightly covered with depots.

A.T.

Help for agencies

THERE has been a spate of useful information for advertisers and agencies appearing this week. Pride of place goes to a "Review of consumer research sources for products and media," prepared by Tony Twyman and published by the IPA at £5.

The booklet gives details of all the regular consumer research sources in the U.K., so that for any product or market details of the information available, and how it is collected, is easily discovered.

Also from the IPA is a legal checklist for advertising agencies, which informs them of all they need to know when making legal arrangements with clients, including changes to the clauses on charges and new clauses on copyright and the AA levy.

Finally J. Walter Thompson has published two more papers in its series stating the case for advertising. One is "Advertising: Facts and Figures," by David Dunbar, a compilation of statistics, especially relating to expenditure (and many are rather out-dated), and "Advertising and the Nationalised Industries," which says that last year they spent £14m. on advertising.

Shoppers on impulse

HOUSEWIVES emerge from supermarkets with 45 per cent. more goods than they planned to buy, according to a Business Decisions survey, how housewives really shop, which itself can be bought for £25. Shoppers were asked about their shopping intentions before entering some Fine Fare, Tesco and International supermarkets, and their actual purchases on leaving.

More than 20 per cent. of all the unplanned purchases were prompted by "money off" offers, special promotions generally, and low prices. A further 17 per cent. came purely from impulse.

On the other hand 20 per cent. of the shoppers' intended buys were not acquired inside the supermarkets. The researchers also discovered that there was a clear price expectation on just over 70 per cent. of the planned purchases, with the under 25s having slightly more specific price expectations. Loyal shoppers to a store, and once-a-week shoppers, are likely to pay more than they originally intend.

Bates resigns Argos

IN an extraordinary turnabout Ted Bates has resigned the Argos advertising account which it has held for less than four weeks. The trouble was that other Bates clients, the Electricity Council and the Southern and Eastern Electricity Boards, regard the Argos catalogue showrooms as competitive to their business, and since they bill over £2m., as against the £400,000 Argos expenditure, Bates acknowledged an error of judgement and regretfully gave up the account.

It puts Argos in a spot since on August 16th it is introducing its new catalogue, containing 2,000 items and distributed to 1.2m. prospective customers. Fortunately Bates has already produced the advertising for the £115,000 launch of the catalogue, and Argos will manage to place it in the media.

A bigger problem is the eleven new showrooms to be opened in the autumn, starting at Bromley on September 18th. But within hours of the news of the resignation agencies were contacting Argos, a subsidiary of Green Shield stamps, offering their services, and a new agency should be chosen within two weeks.

AGB keeps contract

AGB is to hold the JICTAR contract, the task of measuring the audience for ITV. After examining presentations from six research companies the Joint Industry Committee for Television Advertising Research, representing advertisers, agencies and TV companies, confirmed AGB in what is the biggest research survey in the U.K., and probably the world, worth over £700,000 a year.

Among the other contestants were Nielsen, former holders Attwoods, Marplan, and a consortium in which MAS had a stake. But when it came to the crunch AGB was the obvious choice. Changing the research company causes problems with the data, and since the whole structure of commercial television goes into the melting pot in 1979 it would be a bold move to disturb a successful and established supplier of information, even for a cheaper alternative, for such a possibly short period of time.

But there is a change to the contract. AGB will hold it for just one year on a rolling basis, with one year's notice. This might bring it into line with the way the contractors operate. The method stays the same—meters attached to the TV sets in 2,655 homes, with diaries of programmes watched as well.

Colletts is cross

COLLETT Dickenson Pearce is angry with the Post Office. Not because it has moved the £100,000 postal account to Dorlands, but because it kept the whole operation so secret. All CDP got was the notice of resignation.

It is also cross because it handled the account for seven years when the P.O. advertising was mainly limited to "Post Early for Christmas" type campaigns. It constantly suggested a wider, image-building, campaign to make the public think better of the postal services, but the financial situation of the PO did not justify it. Now that the PO is in profit there could be a bigger budget—to the benefit of Dorland.

● DOYLE DANE, which aims for billings of £12m. this year, has appointed Colin Cadman as deputy managing director, responsible for a new business drive. Brian Waldron becomes chairman and managing director.

● BASKIN ROBBINS, the largest retail ice cream chain in the U.S., opens its first parlour in London on August 2nd. Initially five sites have been selected, and 31 flavours from a range of 500 will be on offer. Advertising is to be handled by Kirkwoods on a fee basis, with the first Press advertisements appearing tomorrow.

● VINERS, the leading Sheffield cutlery and holloware manufacturer, has chosen Ayer Barker Hegemann to handle its £200,000 advertising account. ABH takes over on January 1. The business was with Stafford Winfield Cook before that agency went into liquidation.

● BYFIELD WHELAN has been appointed by the COI to look after the advertising for the Ordinance Survey. The account, previously with Chetwyns, is worth around £75,000.

● JUNE EXPENDITURE on display advertising at rate card costs was £54.9m., according to MEAL. This was 18 per cent. higher than June last year, and brings total expenditure during the second quarter of 1976 to £173.9m., 24 per cent. higher than in 1975. Gross expenditure on television was 28 per cent. up, 26 per cent. for newspapers and 12 per cent. higher in magazines.

Ads under attack

Medical mischief

BY ANTONY THORNCROFT

A SITUATION with frightening implications for the advertising industry has arisen in the area of medical journals. In an attempt to reduce the amount of money that the pharmaceutical companies spend on promotional advertising the Minister for Health, Mr. David Owen, has ruled that only the advertisements in journals which get a substantial proportion of their revenue from subscription sales can be allowed as a cost against tax. This includes The Lancet and two other publications.

But there are around 20 journals distributed to doctors under controlled circulations and they face a grim future. They include The Practitioner, published by Morgan Grampian, the journal most read by GPs. In future advertisers may be reluctant to take space in them at the higher real cost. The Periodical Publishers Association has taken up the matter and hopes to arrange a meeting with the Minister.

What concerns Mr. David Burnett, director general of the PPA, is that such Government interference could extend to other areas of advertising. "It is quite extraordinary, but it would appear that if the Minister forces through his recommendations most of the strongest and most widely read medical publications will be excluded from the approved list."

What retailers say

ONE of the most significant marketing developments of the last decade has been the way that the retail outlet has grown in importance at the expense of the manufacturer. The big national chains are beginning to assert their dominance by taking over the advertising role—nine of the top ten advertisers in the U.K. last year were retailers.

But there is still a gulf of ignorance between suppliers and the major retail groups. What is the attitude of Mothercare to advertising? Of Sainsbury to advertising and promotion by suppliers? How does Woolworth decide what to stock, and Boots see its customers? These, and many more questions, are answered in "The Retailers," a book by Edwin Ornstien, published this week.

The methodology of the book is vxery simple. Ornstien talked to leading executives in 25 major retail groups. The interviewees include Daisy Hyams of Tesco, S. K. Zilkha of Mothercare, Keith Willoughby of Woolworth, E. Aylett Moore of Wheatsheaf, and many more of director rank. Their comments are channelled into various subjects, like Service, Control Policies, Incentive Promotions and Location.

The virtues of the book should be obvious. The disappointments are hardly of Ornstien's making. The conversations took place before the Government began to bear down heavily on the retail trade so there is no comment on the crushing burden of price controls and form filling, which have changed, at least temporarily, the whole retailing climate. The unions, and staff wages, also get scant attention.

But the book's concentration on marketing matters will appeal to manufacturers, who should be its keenest readers. Seldom can so many influential retailing figures have offered verbal hostages to fortune. "The Retailers" is a sum of quotes and best summed up that way.

"The ring on the till is our main form of market research"—Harry Shepherd, Marks and Spencer. "Quite a lot of local test marketing is done; often on behalf of suppliers. A fair test requires about 20 stores spread around the country, for a minimum of 13 weeks, although this may vary with the type of product"—Daisy Hyams, Tesco. "We have no intention to dilute the specialisation, no desire to be a general store"—Zilkha of Mothercare. "We must always be ready for market changes. Our larger freezer centres have a surplus of space, and some complementary goods might be stocked"—Billy Perry, Bejam.

"In the long run, discount stores are likely to disappear."—H. J. Potterton, Currys." "Why spend large sums on non-selective advertising when many branches are trading to capacity"—J. L. Woods, Sainsbury. "Trend is entirely towards doors rather than windows. Invite them in rather than show merchandise in window"—Keith Willoughby, Woolworth. "Suppliers rarely contribute to cost of promotions and control is firmly with Smiths. . . In a recent reading campaign, publishers contributed 30 per cent. Price deals are the normal rule"—Simon Hornby, W. H. Smith.

The Retailers, Edwin Ornstien, ABP £11.50p.

THE FINANCIAL TIMES
(Established 1888)
Incorporating THE FINANCIAL NEWS
(Established 1884)
Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telephone Day & Night: 01-248 8000. Telegrams: Finantimo, London
Telex: 886341/2, 883897
For Share Index and Business News Summary Ring: 01-246 8026
Birmingham: George House, George Road 021-454 0922
Dublin: 8 Fitzwilliam Sq. 785321
Edinburgh: 18 Hanover St. 031-226 4120
Leeds: Permanent House, The Headrow 0532 454969
Manchester: Queens House, Queen St. 061-834 9381
Paris: 36 Rue du Sentier 236.50.58 (editorial) 236.86.01 (business)
Bonn: Pressehaus 11/104 Heussallee 2-10 222506
Frankfurt: Frankfurt am Main, Im Sachsenlager 13 554730 (editorial) 554667 (business)
Brussels: 39 Rue Ducale 512.9037
Rome: Via della Mercede 55 678 3314
Stockholm: Raalambsvägen 9, 105 17 Stockholm. Tel: 50 60 88
New York: 75 Rockefeller Plaza, NY 10019 Editorial—212 541 4625 Business—212 489 8300
Washington: Second Floor, 1325, E. Street, N.W., Washington D.C. 202 347 8676
Jo'burg: 632 Union Centre East, corner Pritchard and Harrison Streets. P.O. Box 2128
Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Tel: 241 2920
THURSDAY, JULY 29, 1976

The break with Uganda

UNTIL YESTERDAY, Britain had never broken off diplomatic relations with any other member of the Commonwealth, despite the disputes and disagreements that have from time to time erupted. It may seem somewhat surprising, therefore, that the U.K. Government should now have taken what is historically a dramatic step, by breaking off relations with Uganda, but to have announced the fact in terms that are guarded, anodyne and even weak. *Beyond saying that the* situation had become untenable, the Government has refused to elaborate on its reasons for embarking on a course that, in the normal language of diplomacy, is usually taken to imply a controlled expression of displeasure, if not of actual hostility.

Defensive

The apparent contrast between the firmness of the British Government's action and the *softness of its explanations does* not mean that it has been misguided in either respect, however. For the rupture of diplomatic relations is, in the Ugandan context, a defensive not an offensive act. President Idi Amin is notoriously unpredictable and violent, and in his case the normal language of diplomacy would be neither appropriate nor, above all, effective. In his harassment of British diplomats in Kampala, the President showed no fear that he might precipitate a *break in diplomatic relations,* and while the implementation of the break may cause a stir in some quarters in Uganda, it would be sanguine to suppose that it will have much influence on the policies and practices of the President.

The primary purpose of the British Government's decision has been *to save British lives.* Since the decision of principle was taken over a fortnight ago, considerable efforts have been made to evacuate those Britons who could be persuaded that it was in their interest to leave Uganda. Those who have stayed behind have made their own assessment of the degree of risk they were or might be running, and only time will tell whether they are wise. Much of the recent harassment of Britons has been explicitly directed at diplomats and, through them, at the British Government. It is possible that ordinary civilians or missionaries may be in less danger; some of them may feel they have an overriding need to remain in Uganda.

At the moment President Amin's principal quarrel is not with the United Kingdom, but *with Kenya.* The Secretary-General of the Organisation of African Unity, who has been called in to mediate between the two countries, said in Nairobi yesterday that he was optimistic, and on balance the OAU has a pretty good record in dealing with disputes between member states. It is too early to be confident of the success of mediation, however.

Mediation

Apart from the ostensible purpose of *securing the repayment* of accumulated debts by Uganda, the aim of the Kenyan Government's restrictions on supplies (notably oil) to Uganda seems to be to make it as difficult as possible for Uganda to embark on military action, without exerting so tight a squeeze as to provoke President Amin into open conflict. Yet given President Amin's unpredictability, and the reports which suggest that he is finding it increasingly difficult to control events inside Uganda, there can be no guarantee that either the Kenyan tactics or the OAU mediation will resolve the situation. The conditions posed by Kenya for the resumption of *normal relations are, moreover,* tough, and the publicity given to them may make mediation more difficult.

Apart from its primary purpose of saving British lives, the break in diplomatic relations should also reduce the risk that Britain will be used by President Amin in his quarrel with Kenya. But it will not of itself do anything to resolve the Kampala-Nairobi dispute, which could yet have serious repercussions throughout East Africa and beyond.

Company law reform by stages

THE LAST CONSERVATIVE Government published a comprehensive White Paper on the reform of company law—intended to cover not only a mass of technical reforms left *over from the report of the* Jenkins Committee, but to remedy various abuses which had attracted publicity — and embodied a large number of its *proposals in a Bill. This Bill* was lost when the Government fell, and the Labour Government has had too heavy a legislative programme of its own to take it up.

It has however introduced a Companies Bill to deal particularly with the responsibility of auditors, one of the subjects covered in the Conservative Bill, and it is interesting that the Opposition have now tacked on to it two amendments taken straight from that Bill. The first would make it obligatory to disclose a shareholding of 5 rather than the present 10 per cent. and within three rather than 14 days. The second would enable the directors of a quoted company, subject to certain safeguards, to demand to know on whose behalf any shares are beneficially held and would thus greatly reduce (except in the case of overseas shareholders) the scope for abusing a nominee shareholding.

Bullock report

The interesting fact is that it now seems possible that both these Opposition amendments will be accepted by the Government to-day. If it does so, two tentative implications may be drawn. The first is that the major new Companies Act to update completely that of 1948, *which many people have been* expecting, could become less urgent, and the major outstanding issues dealt with by stages. Some will be covered by the present Bill. *Another Bill will* almost certainly be presented during the 1976/7 session to incorporate the findings of the Bullock Committee on worker participation. *It would not be* difficult to incorporate in this second Bill a section dealing with the responsibilities of directors, including the question of conflicting interests. That done, it would be possible—even if that is not the present intention—to tack on clauses *dealing with such issues as* insider dealings (the present Conservative amendment on this issue has been rejected only because the definition is *regarded as unsatisfactory),* non-voting shares, and the various matters covered in the recent White Paper on the Corporate Report. This would *not be a comprehensive reform,* but at least it would deal quickly with the main practical issues on which both parties seem to be fairly well agreed.

Pragmatic

The second implication that may be tentatively drawn, if the Government accepts these two Conservative amendments, is that it is committed to improving the present methods of company surveillance rather than to introducing major institutional changes. That the Government's attitude is of this pragmatic sort seems to emerge from Mr. Dell's reply to a letter from the chairman of the Stock Exchange (arising out of the recent Lonrho report) about the role of inspectors.

He then made it clear that he was in favour of retaining the present *system* but *not* averse from improving it, by expediting reports, by using solicitors as inspectors in suitable cases, and perhaps by making *the borderline between fact* and opinion rather more precise. Similarly, it would seem that he is anxious to proceed with reforms of company law *which define duties* more carefully and call for fuller disclosure of relevant information. If this is the direction of his thinking, however, it is unlikely *that he favours the* establishment of some new supervisory body with sweeping powers of inspection. For the moment, at any rate, there does not seem *to be much reason to* anticipate the introduction of an American-type SEC.

Comecon is running into debt. Mary Campbell and David Lascelles discuss Communist creditworthine

What eastern Europe owes the capitalists

TRADE WITH the Soviet bloc may still be of minor importance to the West in overall statistical terms since it accounted for only 5 per cent. *of* OECD members' total trade in 1975, but there are two things about it that are hard to ignore. One is the speed at which it is growing—currently by more *than a quarter every year.*

The second is the enormous imbalance, with the West selling far more than it is buying. The result is an ever widening deficit in Comecon's hard currency account which has reached the stage where it is causing concern in both East and West.

By western estimates the debt had reached more than \$30bn. by the end of 1975, and the trends were worsening. In 1975, the deficit in Comecon's trade with the West was \$8bn., equivalent to nearly half the value of Comecon exports to the hard currency area.

In order to finance this debt, the East Europeans have turned with mounting frequency to western capital markets. Publicised Eurocurrency borrowings by Comecon members in 1975 amounted to \$2.3bn., more than twice what they had borrowed the previous year, and the evidence so far this year suggests that the pace has not slackened. This month the Russians borrowed another \$250m.

Several points need to be made. First, a debt of \$30bn. is not excessive for an economic grouping of the size of Comecon with a population of 350m. and some of the largest raw material resources in the world though getting them out does require money. On the other hand, Comecon now accounts for over 10 per cent. of all publicised Eurocurrency loans, which is far more than its tiny share of world trade justifies. Moreover there are doubts about how easily the accumulated debt will be paid off because of Comecon's uncertain export prospects, while the recent drop in the gold price was a reminder that Russia's traditionally "gold bottomed" guarantee could be questioned.

Second, half of the debt is accounted for by two countries only, Poland and the Soviet Union, both for special reasons. At the beginning of the 1970s, Poland embarked on a course of industrial reconstruction which involved exceptionally big purchases of capital equipment from the West. The Russians' debt is largely due to the shocks of two harvest failures in the last three years.

But in the rest of Comecon the trend is also down into the red. *This can partly be explained* by the ambitious economic plans of these countries. The growing shortages of supplies of readily available raw materials, fuels *and even manpower, as well as* the need to achieve far greater efficiency in industry, all demand technology and equipment of a standard only available in the West.

Nor should the political pressures of growing consumerism be ignored. Defence and heavy industry may still get priority. But living standards are given growing importance in most East European countries, and much plant has been imported to raise them, particularly in food, drink, textiles, household goods, and cars.

The western recession combined with inflation was another *element making for a heavier* indebtedness on the part of Comecon countries: they reduced demand for Comecon exports at the same time as prices for Comecon *imports* went up.

The descent into debt was made respectable for the rest of Comecon by the Russian example. The only country which did *not join the* bandwagon to import new technology was Czechoslovakia, from a mixture of pride and lingering timidity from 1968. But it is paying the price. Its capital stock has aged and its once famous engineering products now account for a smaller part of total exports than ten years ago.

The debt is seldom discussed openly in East Europe, and not at all in the Soviet Union where most people are kept in ignorance of how much their country *owes the capitalists.* But Comecon bankers treat it seriously and by all accounts responsibly. Despite the increased borrowing, Comecon maintains its *first-class* repayment record, and so far has been obtaining the best rates in the market.

First round won

The fact that East European borrowers have managed to *command the finest terms in* the Euromarkets has been a problem for international bankers ever since the Comecon countries started to borrow significantly in 1972-3. In recent weeks, complaints have become more frequent and whether the market will succeed in forcing East European borrowers, particularly the Soviet Union, to pay more for hard currency borrowings is currently very much the question.

The indications so far are that the Soviet Union has won the first round. There is *little* doubt that following the \$600m. loan for the International Investment Bank (classified by banks as Soviet risk), major international banks intensified their pressure for the margins which East Europeans pay over basic international bank rates to be widened. East European *countries have borrowed very* heavily in the last year, and they accounted for about 12 per cent. of publicised Euro-Market loans last year and 14 *per cent. in the first half of this* year, according to provisional figures. On the other hand, events proved that it was still perfectly possible for the Soviet Union to raise large sums—for instance the \$250m. loan for the Soviet Foreign Trade Bank just completed on terms as good as ever.

The three biggest American banks were noticeably absent from this loan. However, it had been underwritten by a total of 12 banks (committing themselves to between \$15m. and \$25m. in the event of no funds being raised from outside the underwriting group), and 26 banks eventually contributed. Two East European owned banks were in the underwriting group.

The controversy which raged around this particular loan, however, served to highlight the market's *growing* wariness towards East European credit: the successful completion of the Foreign Trade Bank's loan could prove a Pyrrhic victory.

In the background is the mounting East European hard currency debt and the rapidity with which it has risen in recent years. In addition—and of more direct concern to banks—insofar as the increase in debt consists of commercial bank loans, the Eastern European debt has eaten up more than its fair share of banks' lending resources. Within limits, Euromarket banks tend to be more concerned about diversification of risk than about the creditworthiness of particular borrowers. When Eastern European countries first started borrowing they provided a welcome new diversification of risk, a factor worth a lot to lending *banks; now the opposite is the* case.

That is not to say that any single bank may want to stop lending to Eastern Europe alto*gether.* One Euromarket banker summed up the position last week by saying that his bank was prepared to continue to lend significant amounts to pretty well all the East European countries, but that he thought demand for credit both from his bank and from the market in general would exceed availability. Normally in such circumstances the borrower has to pay more and on this principle, he said, one would expect to see margins being increased at least in the cases of Poland, the Soviet Union (including Comecon institutions), and Hungary. In addition the trend towards greater disclosure of information to lending banks was expected to continue.

So far the market has adopted the attitude that East European credit is among the best in the world, with those countries which are more closely tied to the Soviet Union being ranked higher than those which are less close. It is probably true to say that the international banks have in any case long since passed the point up to which they could have cut their losses: they are likely to make every effort to continue to lend in order to protect the loans they have previously made.

This is particularly true of West German banks and the *latest analysis* by the Bundesbank suggests that the future of the West German economy is now closely dependent on the extent to which Western banks are prepared to continue to extend credit to East Europe.

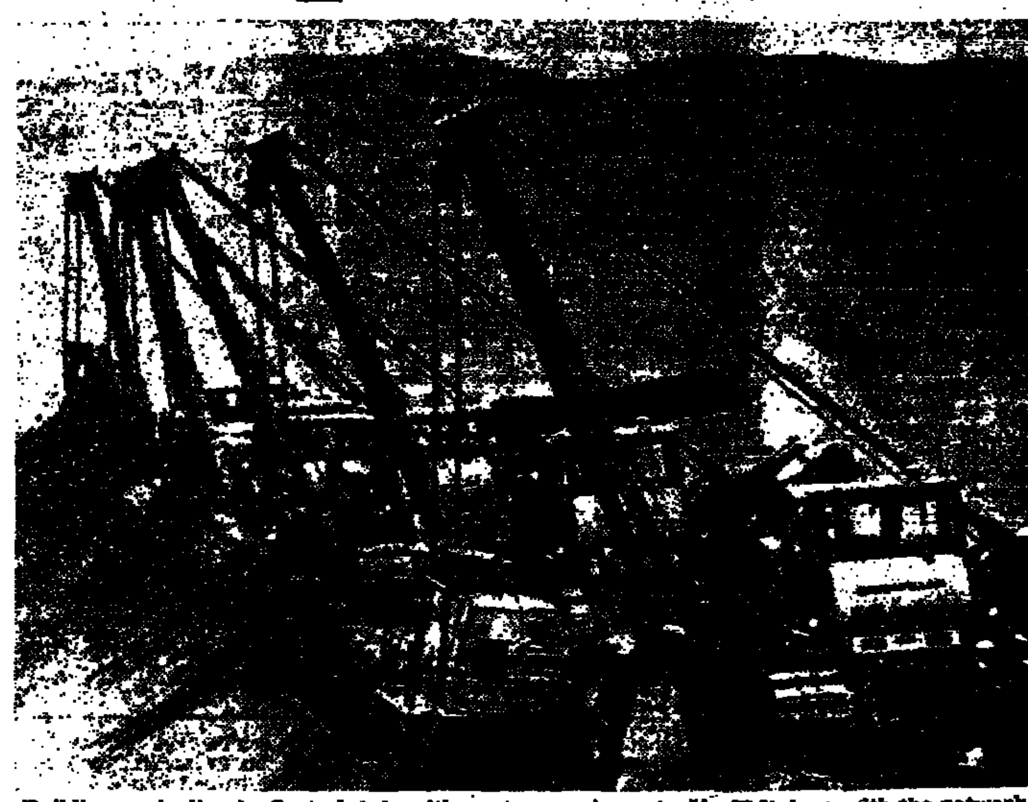
The Bundesbank notes that East European debt to West Germany alone amounts to about \$8bn. while West Germany had a cumulative trade surplus of over DM22bn. (about £4.8bn.) with East European countries in 1972-75. East Europe, it says, is absorbing more than half of Germany's exports of capital and provides the largest part of its overall trade surplus. Although other countries' movement out of recession will clearly reduce West German dependence on East Europe as an export market, it is doubtful how far the previous build up can be reversed.

It is clear that the *Europeans feel that the* has come to do some about their debts. This em above all from their new Year Plans, extending 1976 to 1980, which have published in the last six m All refer to the need to c ports and raise exports wi aim of balancing trade. In cases, like that of Poland, get date of 1980 is most Plans include the establis of industries specifically t duce goods for export, the ing of bonuses for enter that contribute to the b of payments either by on imported materials or proving their export pe ance, and the setting up ter after sales and spares facilities abroad. In those which contain separate targets for exports and in the first is always higher.

In practice, though, Co is expected by western b to have difficulty increas exports to the hard cu area. Although cheap ca tiles, light bulbs and even clocks from Comecon hav headway on western m price rather than quali often the main selling The reputation of East pean manufactured go mains generally poor, there are exceptions quality of East Europea keting is mediocre.

There are better prosp exports of raw materia vided they are produ adequate quantities—an But even these are not a fall in Comecon as the to be in terms of supply than potential, while tural products must still gauntlet of the EEC Agricultural Policy.

Against this there sh set the advantage planned economies h channelling resources. bankers lend on the ass that Comecon governm act quickly and decisiv balance of payments ge hand, though the recen to check internal con in Poland did give th a knock.



Building a pipeline in Central Asia with western equipment. It will link up with the network intended to take natural gas to West Germany and Austria as a hard currency earner.

COMECON DEBT AT THE END OF 1975

	1975 trade with hard currency area \$bn. Imports	\$bn. Exports	\$bn. Balance	Accumulated debt (a)	Debt as % of exports
Bulgaria	1.1	0.4	−0.7	1.8	450
Czechoslovakia	1.9	1.6	−0.3	1.2	75
GDR (b)	1.1	1.0	−0.1	3.5	350
Hungary	1.8	1.2	−0.6	2.3	190
Poland	5.4	3.2	−2.2	6.0	188
Romania	2.0	1.7	−0.3	3.0	176
Soviet Union	12.1	8.8	−3.3	13.0	148
Total	25.4	17.9	−7.5	30.8	172

Notes:
(a) Author's estimate calculated on the basis of BIS table of reporting banks' assets and liabilities as of December known government credits and other borrowings.
(b) Excludes trade with West Germany where the GDR has a debt of about \$1bn. in "clearing account units" largely interest-free by West Germany.
(c) Includes \$480m. borrowed by the two Comecon banks IBEC and IIB, and \$40m. by Cuba.
Source: Comecon 1980 by David Lascelles, to be published by the Financial Times in September. Basic trade statis from OECD, Eurocurrency borrowings from IMF Survey, February 1976.

MEN AND MATTERS

A traditional bank's banker...

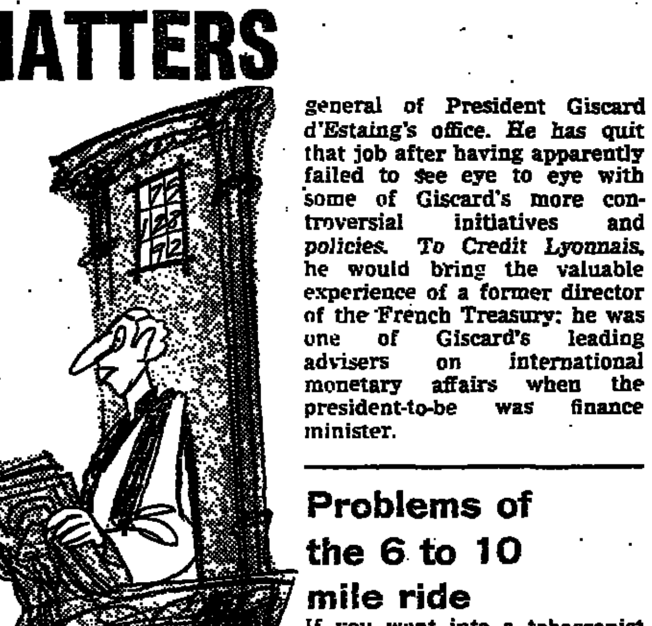
Coutts and Company is a subsidiary of National Westminster Bank but the two groups have little in common. So it was no surprise yesterday that Coutts, a bank which tends to go its own way, announced its new chairman a day after the interesting change of top man at NatWest.

Coutts and its frock-coated male staff, retains long family traditions, exemplified in David Money-Coutts (*can any banker* be blessed with a better surname?), who takes over the chairmanship from Sir Seymour Egerton in September. Money-Coutts has spent all his working life with the bank and is a direct descendant of Thomas Coutts, senior partner from 1775 to 1822. He will combine, at least for the time being, the jobs of chairman and managing director.

Egerton has been chairman for 25 years, going into the bank after the war as a result of an invitation from David Robarts, a member of one of the Coutts banking families who became chairman of National Provincial and of NatWest—and whose nephew *Julian Robarts* is Coutts deputy managing director.

As for Coutts itself, it remains convinced that its market is with that prosperous section of the community prepared to pay for a special service like full narrative bank statements. Changes do come, of course: it is making a tentative move into the provinces later this year by opening a Bristol branch, the first outside London, apart from Eton (Money-Coutts and NatWest's new chairman *Robin* Leigh-Pemberton share the educational background of Eton and Oxford).

But elite behaviour persists. Some of *NatWest's customers* are probably nettled by the £50 minimum current account balance needed to get "free banking." To qualify at Coutts, an average balance of £500 is required.



"Before we have our prayer for rain I want to make an appeal on behalf of the Roof Repair Fund."

...Giscard's man turning banker?

Credit Lyonnais, one of France's big three nationalised banks, had a rough time in 1974, a long bank strike and difficulties in judging Government policy pushing it well into *the red. But last year* it achieved a spectacular turnround to an £18m. net profit. Then, two months ago, came tragedy: chairman Jacques *Chaine* architect of greatly tightened control at the bank, was shot dead in the street outside his Paris office.

His successor is expected to be *Claude Pierre-Brossolette,* 48, until now a significant figure in Government as secretary general of President Giscard d'Estaing's office. He has quit that job after having apparently failed to see eye to eye with some of Giscard's more controversial initiatives and *policies. To Credit Lyonnais,* he would bring the valuable experience of a former director of the French Treasury: he was one of Giscard's leading advisers on international monetary affairs when the president-to-be was finance minister.

Problems of the 6 to 10 mile ride

If you went into a tobacconist to buy three packets of cigarettes, were charged 60p for the first packet, 30p for the second and 40p for the third you might understandably be a bit miffed. But this is approximately what happens if you take a taxi ride according to the Tariff Reform Group set up by a number of taxi drivers under the chairmanship of Sidney Pearce.

The way that the fare structure is organised, the average ride is calculated at around 2½ miles, while the average rate is 28p a mile. However if you take a cab for less than 2½ miles or more than 5½ miles you are actually subsidising cab users who travel distances in between these two distances.

The TRG is campaigning to get this system changed. What *they want is a 20p hire charge,* plus a flat rate of 40p a mile, and they are gradually gaining support among London's 16,000 or so cabbies.

Pearce, *now 52, has been a* cabbie since 1963. Sitting at ranks waiting for fares he abandoned reading paperbacks for heavier material such as *Adam Smith's Wealth of* Nations. This he followed up with an economics "A" level, is currently studying economics at LSE, and is applying his knowledge as he goes to try and get a more realistic fare structure for London's black cabs.

The point that the TRG is making is not that its system would be cheaper to the customer—because it would not. But, it claims, the flat rate system would make a substantial dif*ference to the availability of* cabs to passengers who are currently ignored because their particular journey is unattractive to the cabbie. (The present system also encourages concentrations of cabs at spots—for example London airport—where ideal fares are likely to be picked up, while outside the centre of London there is a dearth of cabs.)

To back his campaign, Pearce claims that in the 900 square miles of Greater London the vast majority of cabs stick to an area of around 30 square miles to take advantage of the heavy front-end loading on fares. There is also a rear-end loading which encourages long journeys—but in that case the flat-rate mini-cab is a more attractive prospect to the customer. For journeys of between six and ten miles many cabbies are reluctant to accept fares, but this reluctance would disappear, according to the TRG, if a flat rate system was introduced to replace the present system.

White lie

Take heart that British exporters are getting on the ball, at least as far as getting preferential customs treatment at country of destination. A contractor invoicing for the construction of a swimming pool described it as "concrete-lined water reservoir (with diving board)."

Observer

هكذا وجد الأصل

ONOMIC VIEWPOINT

BY ANTHONY HARRIS

Treasury's sums and inflation

HINGS stand out about :asures the Chancellor :ed last week: they have orced on a reluctant nent by foreign opinion, y were drafted in detail rit of cynicism. This is : clearer than in the l to raise employers' :e contributions by 2 per his will certainly reduce rowing requirement, but nost nose-thumbing pos-y. The implied thought be: "Well, since you e will cut the borrowing nent (though it is on a common measure, ne of you are running); lic spending is our own Anyway, we've been tell-that the pound is under-so we'll do it in a way ll raise the price of and make you pay for its you want."

is, in fact, a kind of m logic in what has : the more clearly inns imposed a sizeable ry export tax after a ge devaluation in the 60s, and the slide in the loes offer a temporary ity to shift part of our den onto our foreign rs. But it is almost unduly flattering to asury to attribute such notives to the measure. asury was cornered by who found its policies icing, and it chose what as the least politically ay out.

fact is that Treasury has shown every evi-f intellectual confusion past three years, ever first emerged that the processes of demand nent arithmetic were ng figures for the public borrowing requirement the financial markets could not stomach. Officials can readily be persuaded to talk enviously of accounting practices in other countries, where the existence of large "off-Budget" appropriations, of autonomous local spending units, or simply the fact that the public utilities are outside the public sector, allows officials large scope for fudging the figures. The Treasury has so long believed that the borrowing requirement is essentially self-financing, in the sense that the borrowing requirement creates the money required for its own finance, that it has been both painful and confusing to realise that this reassuring identity does conceal real problems (as the far from still voices from the Bank of England have always argued).

In face of this sad muddle, where the financial imperatives seem to argue against established and humane wisdom, it seems worth standing back a little, standing back from the details of what has just been proposed, and asking yet again the fundamental questions: In what sense can public expenditure, and the borrowing requirement, be said to be excessive, and by how much?

Augustinian

The answers on public spending were in fact largely contained in last winter's Augustinian White Paper on public spending (Saint Augustine, it will be remembered, asked the Lord to make him virtuous, but not yet). That paper recognised that if resources were to be found to correct the balance of payments and for investment, with even a modest amount left over to motivate the workers who were to produce the goods, then the growth of public consumption simply had to be checked. The adjustment, it was argued, could and should be delayed first, because cutting should not start in the trough of a recession and second (*sotto voce*) because after 1977 the rise in oil tax revenue would ease the pain.

These arguments are sound as far as they go, but they do not go nearly far enough. Above all, they do not go far enough historically. The diagrams show very clearly that for more than a decade the growth of public expenditure has far outpaced that of the economy, and hogged most of the resources that growth has created; recently it has even been necessary to cut private consumption (and in a recession!) to make room for its unchecked growth.

However, foreign criticism—or at least, that part of it which has been voiced officially—has been centred on the borrowing requirement rather than on the level of spending (and has been met by measures which strive to cut the borrowing requirement at the minimum sacrifice in real spending); and here the historical pattern is very different. For while spending has been rising excessively, certainly since 1963, the explosive increase in the borrowing requirement has emerged only in the last three or four years. This difference is extremely important, for it suggests that while the level of spending is the result of long established political habits, the rise in the borrowing requirement (initiated during Mr. Heath's regime) has more recent and technical causes.

There are in fact three such causes. The first—much discussed in 1974, but now largely forgotten, is the rise in oil prices. The second, much discussed at the moment, is the depth of the present recession. The third, still only analysed in rather technical papers, is the recent rate of inflation.

When OPEC first trebled the price of oil, it may be remembered, it was argued not only by Mr. Denis Healey, but by the OECD and even by Dr. Johannes Witteveen of the IMF that the consuming countries must be prepared to accept balance of payments deficits corresponding to the surpluses of the OPEC countries. If they failed to make this adjustment, it would first be forced on them by an unexpectedly deep recession, and would later create an insurmountable deficit problem for the weakest economies in the world.

In the event, and in spite of the fact that the OPEC countries have spent more of their revenues than anyone anticipated, these warnings have been justified. The recession has been unexpectedly deep, and now that the OECD group as a whole has restored its balance of payments the oil consumers in the Third World are in a desperate financial plight. It can still therefore be argued that rich countries might appropriately run some deficit in their international payments—and a corresponding one in their public finances—in the cause of international balance; and Britain, for whom oil importing is only a temporary necessity, can especially easily afford to do this. Perhaps £1-£1½bn. of the present borrowing requirement can be excused on this account.

The full employment correction to the borrowing requirement, though a central feature of U.S. budgeting, is one which our own Treasury has always been very reluctant to make—partly for the good reason that it is both technically difficult and controversial. However, last week the Chancellor did offer an estimate that between a quarter and a third of the present borrowing requirement would vanish if full employment could be restored, through reduced subventions and higher revenues. This explains another £3-£4bn. of the present borrowing requirement—and the figure is one with which City analysts do not seem inclined to quarrel.

Habits

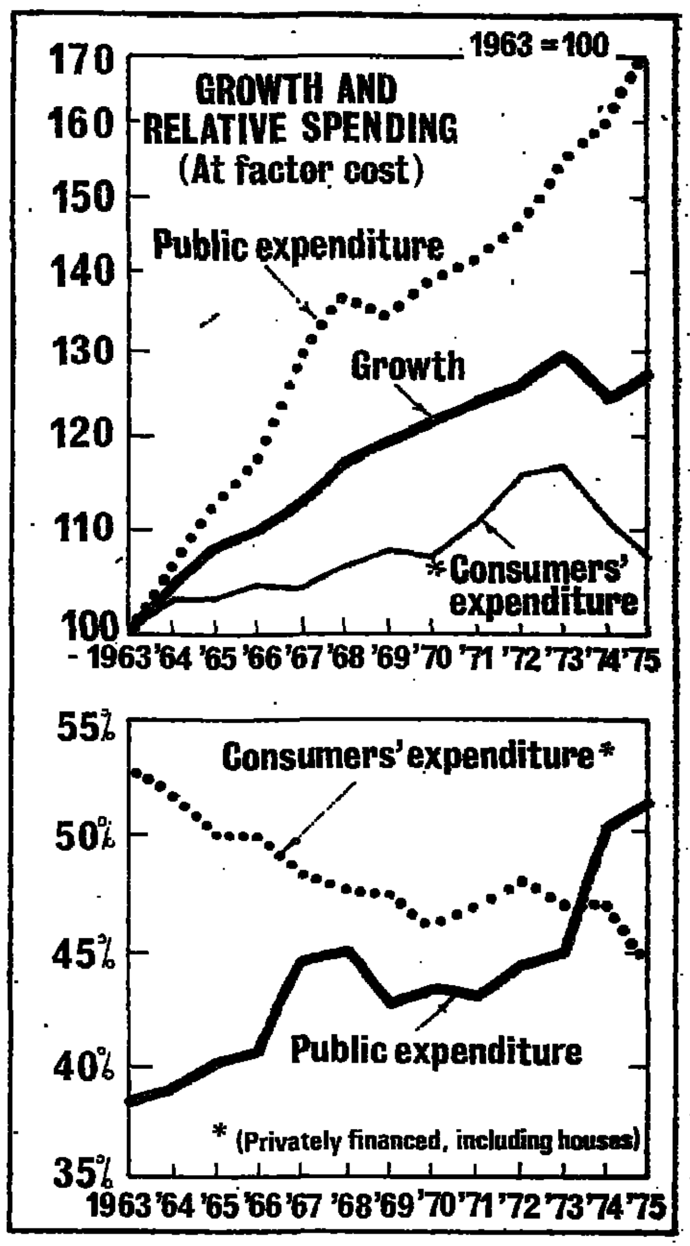
However, these factors still leave an unexplained, full employment deficit of some £6bn., or 5¼ per cent. of GNP, a figure never approached on this basis until the last two or three years. There will still be up to £4bn. of it left after the IMF's demands have been met. It is this figure which is in fact largely explained by inflation: and it is this figure, too, which the financial markets choke upon. It could also quite largely be eliminated.

It can be explained in five words: private saving and debt interest. The ravages which inflation has made in private financial assets has provoked an enormous rise in private saving in most countries of the world, and particularly in Britain, which has had worse inflation. The trouble is that nobody knows at what point savers will decide that they have provided sufficiently for the future, and revert to spending on present goods. As inflation abates, the savings rate could fall quite sharply, it is generally agreed; but no-one knows how sharply or when. This is a great unknown of economic management, and explains the fears why a level of deficit spending which this year has not prevented unemployment from rising could suddenly prove grossly excessive.

Debt interest is also a highly unpredictable sum, because of uncertainty about future inflation rates. The Treasury has admitted that its future estimates may be wildly out (and are probably too high): and here, as with saving, the danger is that the level of rates being paid on present borrowing could prove both highly expensive (as a proportion of GNP in money terms) and highly demand-stimulative should there be a *reduction* in the rate of inflation.

It is the existence of these risks associated with a reduced rate of inflation—the central aim of policy—which make it so hard to understand the continued refusal of the Treasury and the Bank of England, despite some internal pressure, to try methods of financing which would go far to eliminate them. Bonds bearing a floating rate of interest, or long bonds (preferably Consols) yielding a constant *real* income would in the first case reduce the cost of debt service if inflation declined, and in the second reduce it at once. They would stabilise the assets of savers, and assist funding and monetary control. The economic case for them has been argued by no less than Milton Friedman, high priest of the new monetary orthodoxy.

The arguments against these innovations seem to be compounded of funk and dishonesty—the fear that more attractive bonds would upset the gilts market (though it is now gilts brokers who are calling most persistently for innovation), the fear that foreign holders of existing stocks might want to convert into a 'more honest security (and why not—especially if the reward of honesty is a low coupon?) and the love of frightening spending departments with tales of an insupportable debt burden (when it is the *real* burden which threatens to become insupportable). But to be fair, it is perhaps because the authorities have not yet fully analysed the causes of their present dilemmas that they are so unwilling to contemplate the most readily achievable cures. Yet it is this highly unstable area of inflation-induced deficit, untouched so far by the Chancellor's measures or even by the prescriptions of the International Monetary Fund, which are now the biggest potential threat, in sheer size as well as in unpredictability, to future financial stability.



Letters to the Editor

sts in price itrols

he President and esident, of Cost and ment Accountants.

Mr. J. S. Humphreys 3) is not indeed a voice in the wilderness about nter-productive nature of ntrols.

institute has been asso-vith many representations ernment on the need to price control legislation. ted as we are with the run business organisa-onomically, we feel that lowing aspects of price are particularly serious. the amount of expensive, manpower required to the records and to supply ocess the information Government needs to er these schemes. Two fect of price restraint on low and investment. ng stocks, work-in-pro-d in some cases plant is serious headache, to turing concerns in par-Three—where the price fied goods is held down ly, distortion of the of demand and supply l to follow, since manu-s will obviously be reluc-concentrate on lines they know they will a price which gives little ofit.

otion of rigidly control-prices has superficial ns — but consumers not forget the price of ntrols. At the moment, dustrial recovery is far sured, we should be-the time spent on such th-generating work. As we should expect our s to be spending their work which would the national kitty, rather earranging how our resources are spread.

Frank.
G. Farquharson.
land Place, W.1.

VAT em

r. D. Mayman.

Sir Ronald Radford's eply (July 23) to Mr. 's letter (July 22) in no racts from Mr. Holland's se.

in name VAT is a tax added, in practice it is on the total cost at sale, accounted for by r but payable by the r. Since any purchaser erates an established VAT registered) busi-simply reclaim this tax. persons who actually AT are unregistered rs.

tween lie the bulk of turing and trading ns with mountains of and sales invoices them, for which the VAT system creates positive or negative cash ending on the nature of ading, and provides the ty of tax evasion which, e, requires massive ing, but yields no tax.

r. Holland's suggestion high cost of this non ielding administration be eliminated by not g VAT to be paid by one ed business to another nplemented, this would ch the few cases where are made to consumers termediate production Present administration tax by Customs and as distinct from Inland involves separate data n and separate monitor-separate people from separate offices, causing the high costs referred to by Mr. Holland.

Sir Ronald says that he is always willing to examine any ideas for improving the administration of the tax. Let him then consider the following, which would make major economies:—

(i) Eliminate charging of VAT between registered businesses. (ii) Allow VAT return periods to coincide with financial accounting periods. (iii) Accept quarterly returns and claims/payments "on account." (iv) Transfer administration of VAT from Customs and Excise to Inland Revenue. (v) Adjust quarterly VAT payments on account in the fourth quarter to total year's VAT due as audited year-end accounts.

The collection of direct and indirect tax would then be from one source, irrespective of relative proportions, and use the same audit standards, and the undoubted expertise of our tax inspectors. The question as to whether any goods had been supplied to unregistered consumers without charging VAT would be covered in the same way as for any wages paid without deduction of income tax or expenses not allowable for tax purposes.

Of course Inland Revenue departments would need to be expanded to cover this, but the staffs and offices required would be only a minute proportion of those at present used in separate VAT administration for all industries.

D. Mayman.
Willow Grange,
256, Prescot Road,
Aughton,
Nr. Ormskirk, Lancs.

Already guilty

From Mr. A. Napier

Sir,—Your recent correspondents have missed the point. To make money is now an offence, strictly punished by the exaction of a monetary penalty. The most serious, most heavily punished offence is to make a profitable (that is successful) investment. To fail to make money is correspondingly rewarded.

It is exactly in line with this that Customs and Excise treats payers and potential payers of VAT exactly as if they were already guilty as, of course, in its own terms, they are. (*Nulla poena sine crimine.*) I expect Mr. Christie (July 22) will readily confirm the attitude.

In civil service terms it is sad to see the once respected Customs and Excise descend to the abysmal standards of the young upstarts of the Inland Revenue.

A. W. Napier.
Wrecclesham Grange,
Farnham, Surrey.

Freedom of trade

From The Prospective Parliamentary Liberal Candidate for Lewisham East.

Sir,—Sir Fred Catherwood states (July 27) that "we opted a year ago for a free market" in the referendum on the European Community. Would that it were so!

In practice Britain has exchanged one form of protectionism for another. By our membership of the Common Market on the present terms we have given up our right to buy our essential food and raw materials at the lowest possible cost.

If Sir Frederick really believes in a free market, as I am sure he does, he would serve his principles better by campaigning against increasing protectionism within the EEC rather than by pretending that the Common Market is promoting true freedom of trade.

Michael Minter.
38, Great Thrift,
Petts Wood, Kent.

Banks' closed shop

From The General Secretary, Lloyds Bank Group Staff Association.

Sir,—As the "staff association person" referred to in the letter from the general secretary of the National Union of Bank Employees (July 26), I would like to reply briefly even though discussions on merger talks between independent unions should really take place outside your columns.

The questions posed by Mr. Mills in his letter could be answered by reading the latest issues of his union's newspaper NUBE News. A headline in the July issue reads "Union Gets Closed Shop First." The article goes on to say that NUBE has obtained a closed-shop agreement in the Co-operative Bank, the first to be signed in the field of banking. I think the only inference one can arrive at from that headline is that this is a new agreement and that it is the first of many to come if NUBE has its way. Indeed this is the view of NUBE members at the National Westminster Bank Cotteridge, and I quote from their letter published in the August issue of NUBE News "It is presumably your (that is NUBE's) intention to introduce a closed shop into every bank where NUBE membership exceeds other staff representation."

The general secretary of NUBE is of course right in stating that what happens in the Co-operative Bank is of no concern to Lloyds Bank Group Staff Association as the situation stands at present. He is now, however, asking for talks on a merger (or is it a takeover?) in which case the question becomes very much the business of members of my association who are opposed to the introduction of a closed shop in Lloyds Bank and indeed in the banking industry.

John Bealey.
6, Dean Park Crescent,
Bournemouth.

Revolution in reverse

From Mr. A. Thomson

Sir,—Technological advances, coupled with the development of modern mass production methods, have unquestionably transformed our standard of living (in the commonly accepted meaning of the term). Far from reducing the overall demand for labour, machines and automation led over a long period to the creation of new industries and new jobs. It has become increasingly evident, however, that sooner or later, as industry becomes more and more capital intensive and labour-saving, this process must go into reverse. Does it not seem more than probable that the industrial revolution, which has been gathering momentum for more than a century, is one reason for the present high level of unemployment in developed countries?

We are continually being urged by economists, politicians, trade union leaders and others that the remedy for Britain's present troubles must be sought by obtaining higher outputs from fewer workers, in order to increase profitability and produce more cheaply than other countries. Here as elsewhere, the conventional wisdom is that economic salvation, higher employment and national prosperity can only be obtained by continuous expansion of the GNP. Yet it must surely be evident, having regard to the heavy demands already being made on the world's energy and raw materials of our planet, which are finite, that such a policy must eventually lead to disaster.

Is it not high time that we abandoned our present economic shibboleths and went back to smaller and more labour intensive factories, as widely dispersed as possible? Apart from reducing unemployment, this would have the advantage of reversing the continuous flow of population to the cities and resurrecting the healthy village environment of past years. We should, of course, be priced out of world markets and should doubtless have to forgo many luxuries now commonly regarded as essential. But is there any other way of achieving real and lasting prosperity, not only in Britain but throughout the world?

A. G. Thomson.
47, Grove Road,
Sonning Common,
Near Reading.

Advertising's theme

From The Director-General, The Advertising Association.

Sir,—May I make several points about Anthony Thorncroft's piece (July 22) on the Advertising Association conference? Was it really "disappointing" and if so to whom? Not I think to the 700-odd delegates (incidentally very considerably more than those attending the 1974 Brighton conference) who paid their registration fee in the full knowledge of what the programme held in store for them and who, ever since, have been flooding this office with requests for the speeches.

The decision was taken many months ago to let the conference concentrate on advertising as a part of the fast diminishing process of individual and commercial freedoms and thus to examine it in a positive way in its social and economic context. There are plenty of other opportunities for advertising people to discuss the technicalities of their craft and, indeed, about 50 per cent. of the conference was devoted to doing so. But in the final analysis, the best way to make advertising more cost-effective is to let it be seen and understood for the economic contribution it makes both to industry and to society. That is what the AA conference is all about.

The theme in any one year is that which the conference committee regards as most relevant and of most interest and concern to delegates at the time. In that context, I can do no better than quote two extracts from the conference chairman's theme speech:

"It would be insular to confine our discussions simply to the business of advertising at a time when society, of which advertising is a product, is under economic threat as well as uncertain as to the way out of its present difficulties."

"If you, or anyone else in industry and commerce, think it is not our job; that 'we have to earn and market the bread—someone else must deal with the wider issues"—then one day we may find the marketplace closed."

Roger Underhill.
Abford House,
15, Wilton Road, S.W.1.

To-day's Events

GENERAL

Mr. Reg Freeson, Minister for Housing and Construction, meets building industry employers and union representatives to discuss implications of public spending cuts.

Mr. Fred Mulley, Education Secretary, applies to House of Lords for leave to appeal against rejection of his directive to Tameside Council on fully-comprehensive schooling.

Energy Trends issued by Department of Energy.

Electricity Council and Central Electricity Generating Board annual report.

Mr. John Methven, CBI director-general, speaks at its East Midlands Regional Council, Nottingham.

PARLIAMENTARY BUSINESS

House of Commons: Aircraft and Shipbuilding Industries Bill, completion of remaining stages. Commons Select Committees. Race Relations and Immigration. Subject: The West Indian Community. Witnesses: Guild of British Newspaper Editors. Direct Elections to European Assembly.

House of Lords: Protection of Birds (Amendment) Bill, committee and remaining stages. Education Bill, second reading.

OFFICIAL STATISTICS

Bricks and cement production (June).

COMPANY RESULTS

Allied Textile Companies (half-year). Barclays Bank (half-year). Fitch Lovell (full-year). Inchcape (full-year). Magnet and Southerns (full-year). Reed International (first quarter). Swan Hunter Group (full-year).

COMPANY MEETINGS

See Page 19

OPERA

London Opera Centre production of The School for Fathers, Sadler's Wells Theatre, E.C.1, 7.30 p.m.

MUSIC

English Chamber Orchestra, conductor Mark Elder, plays music by Stravinsky, Mozart and Britten, Royal Albert Hall, S.W.7, 7.30 p.m.

COMPANY NEWS + COMMENT

Laurence Scott surges to £1.72m.

ADDING A further £0.66m. in the last 3 months, electrical and control gear manufacturers, Laurence Scott announces pre-tax profits of £1.72m. for the 15 months to March 31, 1976. For the *first 12 months the figure* was £1.06m. against only £52,547 for 1974 and £1.29m. for 1973.

Earnings per 25p share for the 15 months are 11.24p against a loss of 0.61p for 1974 and as forecast the final dividend is 0.7p net, *lifting* the total payment from 2.5p to 3.4p.

	15 mths. 1975-76 £000	12 mths. 1974 £000
Turnover	31,570	17,556
Depreciation, etc.	602	404
Interest payable	701	111
Pre-tax profit	1,723	52
Taxation	885	37
Net profit	828	†15
Extraordinary credit	—	3
Available	828	†42

† Loss

The directors state that the balance sheet will show a £1.6m. improvement in liquidity fully *reversing the deterioration of the* previous year.

● **comment**

Laurence Scott's recovery from its 1974 depression really took off in the last nine months of the 1975-76 accounting period when the group finally eliminated the last of its loss-making contracts. On an *annualised basis profits* were up by more than £1.3m. on a 44 per cent. jump in sales and the shares rose 5p on the results to 47p. New. contracts *from the* heavy engineering sector have recently become rather scarce but this is unlikely to have too much effect on current year profits especially with the switchgear side still enjoying a very high level of *activity. The group* takes profits only on completion of contracts and is confident of achieving a further increase in 1976-77. The shares *backed up by a yield of* 9 per cent., covered 3.3 times, could still have some way to go.

INDEX TO COMPANY HIGHLIGHTS

London and Lomond Investment

For the first half of 1976, on gross revenue up from £455,211 to £521,050, net revenue of London and Lomond Investment Trust increased from £191,252 to £216,647. Tax charged was £130,851, compared with £116,131.

Earnings per 25p unit are shown to have risen from 1.01p to 1.15p and, as known, the interim dividend is held at 0.7p net at a cost of £132,300—last year's final was 1.15p.

Total assets, less current liabilities at market value including full dollar premium of 45½ per cent. *(62 per cent.) where applicable*, on June 30 were £18.07m. (£16.24m. at December 31, 1975). Net asset value per stock unit after deducting *prior charges at par was* 73p (70p).

Glenlivet Distillers progress

TURNOVER of Glenlivet Distillers, including duty, for the 24 weeks to June 18, 1976 totalled £7.63m. compared with £6.01m. for the first 25 weeks of the previous year. After unchanged interest of £92,000 the profit before tax rose from £0.86m. to *£1.15m.*

The directors say that business continues to be better than anticipated and 1976 profits will be greater than last year's £2.19m., unless something very untoward happens.

The interim dividend is increased from 1.7p to 1.87p per 25p share, costing £145,000 (£131,000)—last year's final was 1.901p.

Tax for the first 24 weeks takes £596,000 (£447,000) leaving the *net balance up from £413,000 to* £550,000.

● **comment**

Concentration on an overseas sales effort has enabled Glenlivet Distillers to show a 39 per cent. increase in pre-tax profits (figures adjusted to 25-week basis). Although whisky exports *generally fell 4 per cent. in the* first five months, Glenlivet bucked the trend and exported 39 per cent. more. Customers buying ahead of price rises helped the sales effort and new export markets (unnamed) have been opened up. Forecasts of a shortfall of supply of malt whisky in the early 1980s augur well for the company but the shares are *hardly cheap at 190p (up 5p to a* high for the year) where they have a maximum yield of only 3.2 per cent. Suntory and Courage continue to hold their stakes of 11 per cent. and 27 per cent, respectively.

Gillett Discount downturn

FIRST HALF group profits of Gillett Brothers Discount Company are lower than those for the *corresponding period last year* and have been affected by a rise in minimum lending rate of 2½ per cent. during April and May, *albeit on a small book with a* short average life, and by reduced margins in June and July, the directors stated.

Profits are expected to run at this lower level unless margins improve or interest rates begin to fall, they add.

An unchanged interim dividend of 4.875p net per £1 share is declared. Last year's total was 13p from profits of £550,461 after transfer to contingencies.

Statement Page 19

Bonas Webb in profit

Pre-tax profits of £143,229 are *reported by Bonas Webb for 1975*, compared with a loss of £74,251 previously.

Exports and turnover are ahead, *but there is still no signs of an* improvement in textile trading conditions in the U.K., the directors say. However they are encouraged by the benefits being felt from the Stroud Riley acquisition.

	1975 £	1974 £
Turnover	2,377,512	2,153,530
Profit	260,100	30,770
Interest payable	116,871	125,021
Profit before tax	143,229	*74,251
Taxation	72,293	35,650
Extraord. debits	27,174	17,438
Pre-acq. profits & min.	6,045	33,098
Attributable	37,817	*160,437
Dividends	9,250	3,906

* Loss.

The dividend is again a single final of 0.5p net.

INTERIM STATEMENTS

MANCHESTER GARAGES LTD.

(Ford Main Dealers)

INTERIM REPORT

RECORD SALES AND TRADING PROFIT

	1976 Six months to 30th *June* (Unaudited) £	1975 Six months to 30th *June* (Unaudited) £	1975 Year to 31st *December* (Audited) £
Group sales	4,954,189	4,163,205	8,029,670
Group trading profit (before interest)	173,647	111,014	236,050
Group net profit *(before tax)*	139,352	78,493	168,883
Dividend Ordinary	0.35p	0.30p	0.60p

Interim dividends will be paid on 27th August, 1976, to ordinary shareholders on the Company's Register at the close of business on 2nd August, 1976.

R. A. Stoodley.
Chairman and Managing Director.

Hollis ESA second-half pick-up

AFTER FALLING £200,000 to £687,000 at halfway, pre-tax profit of Hollis Bros. & E.S.A. recovered in the second half and finished the year to March 31, 1976 ahead *from £628,092 to £989,489*. This partly reflects a fall in interest payable from £1.01m. to £0.85m.

At halfway the directors said that it was difficult to predict the future but second half trading had been on a satisfactory footing.

The dividend total per 25p share is lifted from 3.310785p to 3.61298425p with a final of 2.65423425p net.

Tax for the year takes £494,953 against £258,045 leaving the net balance in front from £370,047 to £494,536.

The directors say that stocks have been reduced and this with new purchases provides a satis*factory base for current trading*, which to date is reflected in the 1976/77 accounts.

	1975-76 £	1974-75 £
Turnover	33,167,000	33,327,000
Trading profit	1,840,271	1,637,637
Interest payable	870,782	1,009,275
Pre-tax profit	989,489	628,092
Taxation	494,953	258,045
Net profit	494,536	370,047
Special credits	—	38,129
Preference dividend	4,900	4,900
Ordinary interim	84,469	77,475
Final	233,842	214,211
Retained	171,325	111,641

The company operates as timber importers, sawmillers, *flooring contractors*, woodworking manufacturers and educational equipment makers.

● **comment**

The 58 per cent. rise in Hollis Brothers' 1975-76 profits represents a strong recovery from the setback which occured in the second half of the previous year. Second half profits were significantly lower than those of the first six months, but this appears to owe something to a shortage of stock after a trimming exer*cise in the first half year*. Recovery on the timber side should gain some pace in the current year as customers are now re-stocking with soft wood and, *although the* manufacturing side which is suffering from cuts in Government spending could prove a bit of a drag, profits *should continue to* move steadily ahead. The shares, which rose 5p on the results to 43p, yield 13¾ per cent., covered 1½ times.

Liquidation for IPH

Investment and Property Holdings, the international property group run by ex-Bovis man Mr. Barry Abbott, is to go into voluntary liquidation "as soon as possible" following a meeting of principal creditors.

A brief statement from the company, whose shares were suspended on July 16, said a Board Meeting had resolved that the company should cease trading immediately. Mr. Abbott was not available for further comment last night.

Nearly three-quarters of the company's investment portfolio is represented by City of London property, valued at £17m., with *other major developments in* Holland, France and Germany.

The main IPH shareholders, apart from Mr. Abbott, are Grindlay Brandts Bank, with a 21.4 per cent. stake and the National Coal Board Pension Funds, which has 19.5 per cent.

IPH has been highly geared, with the last balance sheet showing property assets of £72m. and net borrowings of £25.5m., most of it short-term. Losses were £1.05m.

In the last annual statement, *Mr. Abbott said the Board was* constantly aware of the group's high borrowing position. Profits were in train from forward sales *but it was too premature to anti*cipate that sufficient profits would be generated to cover high interest costs during the current year.

ANGLIA BLDG. SOCIETY

Anglia Building Society reports an increase in assets of 22.4 per cent., or just over £100m., in the 12 months to end June, 1976.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Albion int.	Nil	—	0.81	—	2.07
Blackman & Conrad int.	1.38	Sept. 27	1.25(c)	—	3.15(c)
Bonas Webb	0.5	—	0.5	0.5	0.5
Brady Inds.	3.91	Oct. 1	3.45	5.66	5.2
Crossfriars Trust	1.85	Sept. 30	2.4	2.6	2.4
Gen. Stockholders int.	1.3	—	1*	1.3	1.12*
Gillett Bros. int.	4.88	Aug. 27	4.88	—	13.0
Glenlivet Distillers int.	1.87	Dec. 1	1.7	—	3.6
Hambro Trust	1.05	—	1.1	1.51	1.56
Hollis Bros. and ESA	2.65	Sept. 14	2.43	3.61	3.31
Laurence Scott	0.7	Oct. 1	1.5	3.4(b)	2.5
LRC Intnl.	2.04	Oct. 1	1.15	3.09	2.0
Manchester Garages int.	0.35	Aug. 27	0.3	—	0.6
Mann and Overton int.	1.03	Oct. 4	0.94	—	3.11
Plastic Const. int.	1.25(a)	Sept. 16	1	—	3.33
Wm. Sommerville	0.5	—	1.58	1	2.48

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. (a) To reduce disparity. (b) For 15 months. (c) Equivalent after capital reorganisation.

Mortgage lending rose by 25.7 per cent. to £59.4m. for the first half of 1976, and investors' net receipts advanced by 18.5 per cent. to £37.5m.

Mr. Peter Wilkinson, chief executive, states that just under half of all mortgage lending (46.2 per cent.) has been to first-time purchasers.

The society has budgeted to lend at least the same amount—£60m.—in the second half of the year, he tells members. The very high level of liquidity will enable it "to achieve this with ease."

Eastern Produce setback

GROUP PROFIT for 1975 of Eastern Produce (Holdings) decreased sharply from £2.49m. to £1.63m., subject to tax and to extraordinary debits of £3.26m., against £3.94m.

In view of the extraordinary items the directors are unable to recommend the payment of a dividend for 1975, as before. For 1973 a total of 2.81p net per 50p share was paid.

Net profit, after tax but before *the extraordinary* items, was £701,000 (£1,227,000) giving basic earnings per share of 7.6p (13.8p).

	1975 £000	1974 £000
Group turnover	20,321	27,329
Profits & invest. rev.	1,267	2,043
Deduction*	45	187
Associates	408	555
Profit before tax	1,629	2,491
Taxation†	928	1,268
Outside holders	2	4
Profit after tax	701	1,227
Extra-ord. debits	3,261	3,944
Loss	2,560	2,717

* Conversion of overseas net current assets. † Including £916 (£1,236) overseas.

Extraordinary items include a full provision against all of the *group's interests in Angola*. No figures are being consolidated in the accounts for 1975 in respect of the Angolan operation, it is stated.

The group's profits, after tax, include £363,000 (£360,000) attri*butable to the principle South* African subsidiary sold during the year

Net asset value per share, based on market values at December 31, was 54p (68p).

Walter Duncan and Goodricke has a substantial interest in the company.

● **comment**

Eastern Produce underwent a considerable change last year. *The Angolan interests which con*tributed £400,000 pre-tax in 1974 have been totally excluded from the 1975 profits and have now been completely written off within the £3.26m. extraordinary item. In order to protect its balance-sheet against this the group sold off its very profitable South African interests towards the end of the year for £2m. The outcome *of these* moves has been a reduction of around £1m. in shareholders' funds to about £6½m. and a drop in overall borrowings *to £6m. The finance position is* therefore much healthier now than a year ago but the absence of over £½m. of SA profits is going to make it very difficult for the group to even maintain its pre-tax level in the current year despite the fact that trading conditions are currently good with tea prices very firm. At 21p the group is capitalised at £1.9m.

ALBION SLUMP

A fall in pre-tax profit from £236,000 to £61,000 is reported by Albion, manufacturers and wholesalers of mens outerwear, for the *six months to March 31, 1976*. And the directors state that problems in Kilmaine Clothes have not yet been resolved.

There is no interim dividend against 0.808p. Last year's total was 2.068p from profits of £384,846.

Tax for the first half takes £68,000 (£122,000) leaving a net loss of £7,000 (profit £114,000). After minorities the attributable loss is £13,000 (profit £101,000).

Mid-term rise at Blackman

THE SIX months to March 31, 1976 at *Blackman and Conrad*, clothing manufacturers, has seen an improvement in taxable profit from £307,000 to £410,000 on turnover ahead from £4.2m. to £5.40m.

And the directors state that the group's trading in the second *half has been most satisfactory* with orders in hand higher than at this time last year.

The interim dividend is effectively raised from 1.25p to 1.375p net. Last year an adjusted 3.15p was paid from profits of £616,701.

After tax for the six months of £213,000 against £160,000 the net balance is up from £147,000 to £197,000.

Brady down £0.21m. to £0.95m.

TURNOVER static at £15.3m. and pre-tax profits down from £1.16m. to £0.95m. are reported by shutter, door, grille and lift makers, Brady Industries for the year to March 31, 1976. At midway the profit fall was from £365,000 to £309,000.

Yearly earnings per 25p share are given at 12.2p (15.3p) and the final dividend is 3.9125p net for a 5.6625p (5.2p) total.

After tax of *£502,405 against* £588,964 the net balance emerges down from £569,154 to £448,988.

● **comment**

Brady Industries was inevitably a victim of the building recession last year and with a fall in volume, pre-tax profits fell some 18 per cent. The current order book is not much improved on this time last year and recovery is almost certain to be slower than in some other areas of construction because of the group's major interests in finishing items such as doors and shutters. The merchanting division suffered the biggest downturn in trading profits from just over £½m. previously to £372,000 last year. However, there is now an overall short-term net cash position compared with a near £½m. overdraft at the end of 1974-75. With the short-term in view, the shares fell 3p yester*day to 61p to yield 15¼ per cent.* where the p/e is 4.7 compared with a construction sector average of over 7¼.

Associated Sprayers

Associated Sprayers has re*covered from a £15,700 loss to* pre-tax profits of £66,000 in the half year ended February 29, 1976. Turnover improved from £2.56m. to £2.81m.

Again no interim dividend is being declared—in 1974-75 Ordinary dividends were omitted when the group incurred a pre-tax loss of £141,630.

The first half profit is struck before a tax charge of £30,000 (nil).

The directors are confident that the improving trend will continue during the second half.

In the light of trading conditions and with excessive stocks in the distribution chain, the Board decided it was necessary to re-establish strengths in the market and, accordingly, a considerable investment in advertising and *promotional activity has been* committed for the latter part of the year.

So far, this has worked success*fully and, although not wholly* beneficial in the present year, it is confidently expected it will be to advantage next year.

ISSUE NEWS AND COMME[NT]

Re-listing for Christy Bros.

Shares in Christy Bros., the animal feed processing plant and *electrical engineering company*, are to return to the market tomorrow after being suspended almost two years ago at the re*quest of the directors. The former* £1 Ordinary shares were last quoted at 380p prior to suspension but return in the form of 25p shares after sub-division of the stock last December.

The shares were suspended pending proposals for a major acquisition which was in the event abandoned. Meantime effort has been concentrated on extensive reorganisation including the shedding of interests not related directly to the group's principal trading business.

In returning to its original form, the group has divested *itself of all interests in financial* services which were unsuccessfully introduced at the time of the 1973 acquisition of Burne Investment Management *which has* since terminated operations.

Christy has also shed two former loss-makers, Christy Refrigeration and the contracting division of Christy Electrical. Without these subsidiaries, the group states that in the last financial year until March 31 the remainnig concerns that will continue to trade (Christy and *Norris mechanical) engineers* and Christy Electrical) achieved a pre-tax profit of £95,000 on a turnover of £2.8m. for mechanical engineering *sales and £768,000* from electrical engineering.

Extraordinary items after tax gives a credit of £439,000 comprising a transfer from the *share* premium account, a loss on the sale of Financial Services subsidiaries, and the writing back of a deferred tax no longer required. In the balance-sheet the net bank overdraft of £670,000 compares with £852,00[0] end of the previous y[ear].

The group's capital [com]prises 400,000 25p Ordin[ary] and 30,000 3.5 per cent [cumula]tive Preference shares.

● **comment**

Christy Bros. returns [to the] market to-morrow after [a] pruning effort designe[d to con]centrate strictly on t[he] feed plant and control [busi]ness on which it origi[nally made] its name. The separate figures supplied in the prospectus show that th[e] remains profitable, and [over]seas markets already [estab]lished—around 40 per [cent of] turnover comes from [abroad, so] some resilience can b[e shown] against U.K. economic [...] Moreover, the group i[s less] vulnerable to depress[ion in the] U.K. agricultural indust[ry, since] it supplies plant to a[...] *groups with their own e[...]* kets. However, with th[e current] year started only last M[arch there] can be little as yet to [justify] the shares much above [asset] value, especially witho[ut the prospect] of a dividend. Prosp[ects of a] restored dividend are in [...] lack of major capital [...] commitments this y[ear ...] memories of fixed-pri[ce Middle] East contracts are [...] visions still in the ba[lance sheet] and an overdraft stan[ding at ...] per cent. of sharehold[ers' funds] invites caution ahead [of the cur]rent year's first result[s].

READICUT—87[...]

[an]nounces that acceptan[ces in res]pect of the recent £3[...] issue have been rec[eived for] 12,479,268 shares (87.6 [...]). The balance has been [placed in the] market.

AGRICULTURAL UNIT TRUST

A new Pension Fund Agricultural Property Unit Trust has been launched by the Property Unit Trusts group to enable pension funds to invest in agri*cultural land without the problems* of acquisition and management.

The group already manages other property funds which have agricultural interests, but this is the first fund to specialise in the area. Many pension funds have been showing interest in agriculture recently now that agricultural values have recovered following the big do[wnturn of] 1973. Mr. Cecil Baker, [...] of the trust fund, said that over the past 20 [years the] value of good fa[rmland had] increased at an annu[al rate of] about 10 per cent. and would be higher on fa[rms which] were farmed directly (a[s the trust] plans to do in some ca[ses]).

Confiden[ce] at Smith (Whitwo[rth])

Mr. T. W. Borges, c[hairman of] Smith Holdings (W[hitworth]), says in his annual stat[ement that] the new year has star[ted with a] satisfactory order boo[k and the] progress made during [the past] 18 months continues. [But] the nature of the bu[siness and] the uncertainty of [...] makes it unwise to f[orecast the] outcome of the curre[nt year].

The group is now m[...] based and with goo[d manage]ment and a strong sal[es force] believes the directors [...] is looking to the f[uture with] some confidence.

As already reporte[d ...] profit for the year to [...] 1976, totalled £52,237 [...]

FAIREY

As from August 1, [...] Registrars has been [appointed] registrars of Fairey C[...]

Haslemere rental growth

NET RENTAL revenue of Haslemere Estates is expected to exceed £6.5m. in the current year against £6,043,000 for 1975-76 which itself was an increase of over 30 per cent. on the previous year.

The chairman, Mr. F. E. Cleary, *states in his annual report that* the decline of rental levels in the City and West End where most of the company's offices are situated has now ceased and that rental levels in these areas are stabilising at a new base from which *they will inevitably* rise.

Having established a very satisfactory level of rental income it is now the intention to increase this level still further, firstly by taking advantage of the rent reviews in numerous leases, secondly by letting properties in the course of development and finally by the acquisition of new projects capable of producing a good and secure income, says the chairman.

In view of the company's strong position the Board feels that it would be advantageous to substantially reduce the trading operations and at the same time *to hold an increased number of* properties for investment purposes.

For the year ended March 31, 1976, profits before tax were a record £4m. compared with £1.24m. previously.

Properties in the course of development which cost £6.4m. at March 31, will cost a further £0.84m. to complete. Properties held for future development are included in the accounts at a cost of £4.1m.

Meeting, 4 Carlos Place, Mayfair, W., *September 29 at noon*.

Yorkshire Bank expansion

In the 12 months to June 30, 1976, resources of Yorkshire Bank, owned by four of the five London clearing banks, rose by £38m. to £360.8m. There was an increase of £34m. in deposits. Lending *to customers* rose by over £27m. to £171.2m. There are clear indications that the bank's share of the personal finance market continued to rise due largely to the growing popularity of its instalment loan facilities. During the past six months it has been noticeable also that enquiries from commercial customers for overdraft facilities are on the increase *confirming a growing business* confidence in the area covered by the bank. There were further additions to reserves which stand at £26.4m. and total shareholders' funds now amount to £38.4m.—over 10 per cent. of resources.

General Mining Group

COAL MINING COMPANIES' REPORTS FOR THE QUARTER ENDED 30th JUNE, 1976

(All figures in '000 and subject to audit)

TRANS-NATAL COAL CORPORATION LIMITED

	Quarter ended 30.6.76	Quarter ended 31.3.76	Comparative Quarter previous year 30.6.75	12 mo[nths] 30.[...]
TONS SOLD				
Coal	4 452	4 418	4 556	17[...]
Coke	—	—	—	
GROUP NET INCOME	R'000	R'000	R'000	R'[000]
Net income from mining and allied activities	5 205	3 457	3 344	15[...]
Less: Interest and sundries	1 151	749	147	[...]
Taxation	(74)	621	606	2[...]
Net income after tax	4 128	2 087	2 591	11[...]
Less: Minority interest	768	312	325	[...]
NET GROUP INCOME	3 360	1 775	2 266	10[...]
CAPITAL EXPENDITURE	3 167	2 766	2 944	14[...]

NOTES:

1) Dividend No. 27 of 5½ cents per share was declared on 2.6.76 and is payable 19.8.76.
2) As a result of capital expenditure, provision for taxation for the quarter has b[een] written back.

On behalf of the Board
G. CLARK
A. C. COETZEE } Directors

THE CLYDESDALE (TRANSVAAL) COLLIERIES LIMITED

	Quarter ended 30.6.76	Quarter ended 31.3.76	Comparative Quarter previous year 30.6.75	12 mo[nths] 30[...]
TONS SOLD	1 064	1 104	1 053	
INCOME	R'000	R'000	R'000	
Net income from mining and allied activities	699	675	397	
Other income	(1)	19	65	
	698	694	462	
Less: Taxation	252	224	142	
NET INCOME AFTER TAXATION	446	470	320	
CAPITAL EXPENDITURE	392	338	8	
CAPITAL RECOUPMENTS	—	—	4	

NOTE:

1) Dividend No. 126 of 4 cents per share was declared on 2.6.76 and is payabl[e] 19.8.76.

On behalf of the Board
D. GORDON
G. CLARK } Directors

REMARKS

Shareholders are reminded that quarterly results are not necessarily indicative of results which may be expected over a full year.

Secretaries:
General Mining and Finance Corporation Limited,
Johannesburg.

29th July, 1976.

Strong recovery by LRC to £5.31m.

[T]URNOVER increased by [...]per cent. to £68.34m. and [profi]ts, before tax up from £2.4m. [to £5].31m., in the year to March [31, 1]976, the policy of tightening [c]entral controls is rewarded [by a] return to the profit levels [of L]RC International's most suc[cessf]ul year, 1972-73, the directors [say].

[The] halfway profits were up [from] £1.85m. to £2.4m. on sales [...]1.97m. (£28.5m.).

[Ba]sic earnings per 10p share [for t]he year increased from 1.69p [to ...]37p and from 1.84p to 6.34p [fully] diluted. A final dividend of [...] lifts the total from 2p to [the ma]ximum permitted 3.088p net. [...]se again the inherent [stren]gth of LRC's worldwide [activi]ties is reflected in increased [overs]eas earnings. Profits derived [from] overseas operations and [direc]t exports from the U.K. [accou]nted for about 55 per cent. [of to]tal group profits against 34 [per c]ent. in the previous year.

[Com]menting on the figures Sir [Richa]rd Howard, chairman, says [tha]t all divisions increased [their] profitability. The directors [are pa]rticularly pleased with the [...]g results from North [Amer]ica after the problems ex[perien]ced in the U.S. in 1974-75. [...]s of some $1m. were earned [in a] turn round of more than [...]

[...] to devaluation of sterling [...] profits become £0.8m. when [conso]lidated in the accounts of [...].

New appointments both [...]and throughout much of the [group]'s operation are beginning [to m]ake themselves felt and to [judge] by the figures for the first [quart]er of this year the scene is [set fo]r further improvement, the [chair]man adds.

[Dis]continuance of R and D com[mitme]nts on Prostatin and other [...]cidin-related drugs in the [U.S.] will also contribute to this [impro]vement, although work on [these] drugs will be continued on [a red]uced scale by Pharmax in [the U.]K.

[Chi]ef executive, Mr. Mark [Seller]s said, "we are looking for [growt]h and better profitability [...] this year."

[Fig]ures last year had probably [receiv]ed a boost of some £1m. [from] exchange profits. This year, [he i]s confident the group would [conti]nue to benefit from the [fallin]g pound. Direct exports [from] the U.K. made up some [...] of total sales last year. [Thi]s improvement is now very [much] faster and he is already [lookin]g for between £15m. and [...] of exports over the current [tradin]g period.

[The] results last year were [helpe]d by a big turnround in the [U.S. a]nd Mr. Sellers is looking for [furth]er improvements in this [marke]t together with Canada and [Europ]e.

In the U.S., the decision to curtail investment on Prostatin and other related drugs should save some $400,000 research and development costs.

	1975-76 £000	1974-75 £000
Group turnover	65,398	56,718
Profit before tax	5,309	2,395
U.K. tax	1,297	184
Overseas tax	863	350
Deferred	400	1,198
Total tax	2,558	1,682
Extra-ord. debits	33	*151
Net profit attrib.	2,651	800
Interim dividend	418	†244
Final proposed	798	449

* Credits. † After £83,000 satisfied by shares under scrip option.

The group's principal activities are carried on by three divisions—polymer, toiletries and medical.

● comment

LRC has climbed back to its 1972-73 profit levels. But the recovery is mostly due to loss elimination and exchange profits which together may have accounted for four-fifths of last year's £2.9m. pre-tax upturn. *North America* and the medical side are out of the red, toiletries are nicely ahead and so too is LRI in the U.K. But Haffenden-Richborough is still flat and LRI in Europe has had a rough time: these two accounted for 29 per cent. of total profits. This year first-quarter group sales are at *least 25 per cent.* ahead with the overseas operations, notably North America, making most of the running. At 45p the shares yield 11 per cent. and cover is 2.2 times; and a p/e of 6.2 probably sheds a point on most outside estimates of 1976-77's earnings. But despite last year's cash *flow LRC's balance sheet* strains are as noticeable as ever.

Executex Clothes optimistic

Should the 1976 accounts show further substantial improvement, Executex Clothes will give serious consideration to the payment of a dividend, states the chairman, Mr. S. Luper.

Policies adopted in the past two years are beginning to bear fruit, he tells members, but until there is a positive improvement in the national economy and an upsurge in consumer demand, he feels it would be imprudent to be too specific on the current year's outcome.

As reported on June 12 profits before tax for 1975 were £34,175 compared with a loss of £95,813 on turnover of £755,222 (£773,121).

During the year the group suffered defalcations by two employees acting in collusion. Profits include a recovery of £20,000 from insurers under the group's fidelity policy.

Meeting Leeds on *August 17* at 11.15 a.m.

Manchester Garages progress

ON A TURNOVER up from £4.16m. to £4.95m., group pre-tax profit of Manchester Garages, Ford main dealers, increased from £78,493 to £139,352 in the half year to June 30, 1976. The figure for the year 1975 was £168,883.

The interim dividend is stepped up from 0.3p to 0.35p net per 5p share. Last year's total was 0.6p.

NCR six months' downturn

ON A TURNOVER down from £35.89m. to £29.53m., pre-tax profit *of NCR* decreased from £2.25m. to £1.74m. in the half year to May 31, 1976.

The fall in turnover was mainly due to a lower volume of exports, while pressure on margins contributed to a decline in the trading profit from £3.47m. to £1.74m. Earnings per £1 share were down from 13p to 9p.

For the year to November 30, 1975, turnover was £71.09m. and pre-tax profit £3.63m.

	Half-year 1976 £000	1975 £000
Turnover	29,532	35,894
Trading profit	1,739	3,474
Exceptional debits	—	600
Interest receivable	434	44
Loan stock interest	375	875
Other interest	54	298
Pre-tax profit	1,744	2,250
Taxation	940	1,196

NCR, formerly The National Cash Register Company, is a wholly-owned subsidiary of NCR Corporation of Ohio.

Meldrum Trust ahead at halfway

Gross revenue of the Meldrum Investment Trust improved from £291,777 to £323,487 in the half year ended June 30, 1976. Net revenue available for shareholders was up from £170,871 to £188,552.

An unchanged interim dividend of 0.525p net has already been declared absorbing £105,840—the previous total was 1.5p. Earnings per 25p share for the half year were 0.93p (0.85p).

At June 30, total assets, less liabilities, at market value including the full dollar premium, were £8.77m. (£9.07m. at December 31) and net asset value per share, 44p (45p).

Friends Provident Life

New business figures announced for the first half of 1976 by Friends' Provident Life Office for Friends' Provident and the Canadian subsidiary, Fidelity Life Assurance Co., generally show an increase on the corresponding period, which was itself 30 per cent. up on the previous year.

New life sums assured rose from £298.6m. to £360.8m. New annuities per annum are down from £16.5m. to £15.3m. while new permanent health insurance sums advanced £1.7m. to £13.3m.

New annual premiums totalled £6.7m. (£6.2m.) and new single premiums were maintained at £2.4m.

Gillett Brothers Discount Company Limited

The directors of Gillett Brothers Discount Co. Ltd. have [dec]lared an interim dividend payable on 27th August, 1976, [of] 4.875% (1975 4.875%) on the ordinary share capital of the [Com]pany. This is equivalent to a gross dividend of 7½%.

Group profits for the first half-year are lower than those [for] the corresponding period last year and have been affected [by] a rise in minimum lending rate of 2¼% during April and [Ma]y, albeit on a small book with a short average life, and by [red]uced margins *in June and July*.

Profits are expected to run at this lower level unless [mar]gins improve or interest rates begin to fall.

The company is not a close company under the Incomes [and] Corporation Taxes Act 1970.

De La Rue first quarter expansion to £4.18m.

FIRST QUARTER sales of The De La Rue Company increased *from £27.05m.* to £37.64m., while pre-tax profit expanded from £0.77m. to £4.18m., and the chairman, Sir Arthur Norman, says the present trend is likely to be maintained throughout the year.

Turnover for the year to March 31, 1976, was £126.44m., and pre-tax profit £9.82m.

Earnings per 50p share for the three months to June 30, 1976, were up from 1.7p to 11p. For the year 1975-76 they were 28.1p adjusted.

	First quarter 1976 £000	1975 £000	Year 1975-76 £000
U.K. sales	9.747	7.686	22,408
Export	*11.993*	*6.188*	*36.813*
Overseas subs.	16.890	13.192	57,218
Total sales	37,635	27,066	126,439
Trading profit	3,083	121	6.235
Share associates	1.095	649	3.586
Profit before tax	4,178	769	9,821
Profit after tax	2.163	141	4,319
Minority interests	263	*130	134
Preference dividend	3	3	12
Attributable Ord.	1,907	268	4,373

* Loss.

The 1976-77 results of overseas companies have been translated to sterling at rates of exchange ruling at June 30, 1976, except in the case of an associate with a December 31 year-end to which the March 31, 1976, rate is applicable. (1975-76—at June 30, 1975 and March 31, 1976, at rates applicable.)

The company is engaged in security printing and the manufacture of plastic products and materials, etc.

Statement Page 21
See Lex

To-day's Company Meetings

Ambrose Investment Trust, Institute of Chartered Accountants, E.C., 12.30. Andersons Rubber, Bristol, 12. Arbuthnot Latham, 37, Queen Street, E.C., 12.30. Attwood Garages, Wolverhampton, 12. Beechwood Construction, Cardiff, 12. British Steam Specialities, Leicester, 12. Bulmer and Lumb, Bradford, 12. Chapman and Co. (Balham), Great Eastern Hotel, E.C., 12.30. Charrington Gardner Locket, Charing Cross Hotel, W.C., 12. Chloride, London Hilton, W., 11. Cohen (A.), 8, Waterloo Place, S.W., 12. Lyons (J.), Cumberland Hotel, W., 12.30. M. K. Electric, Abercorn Rooms, E.C., 12. Mansfield Brewery, Mansfield, 11.30. Northern Securities Trust, 16, St. Martins-Le-Grand, E.C., 12. Press (W.), Inn on the Park, W., 11.30. Reed International, 20, Aldermanbury, E.C., 12. Renold, Manchester, 2.30. Sheepbridge Engineering, Grosvenor House, W., 12.30. Stanhope General Investment, 10, Wyndham Place, W., 3.30. *Stylo, Leeds*, 3. Tunnel Holdings, 21, Tothill Street, S.W., 12.30. Unerman, Sutherland Road, Walthamstow, E., 3.30. United Engineering, Manchester, 12. Warnford Investment, 20, Aldermanbury, E.C., 3. Wheway Watson, Glasgow, 12.15. Witan Investment, 11, Austin Friars, E.C., 11.30.

Glass & Metal to improve

FIRST-HALF (to April 30, 1976) pre-tax profit of Glass and Metal Holdings rose slightly from £326,981 to £344,901, and the directors forecast that the year's figure should show a satisfactory increase over the £673,684 for 1974-75.

In accordance with past practice, no interim dividend has been declared. It is anticipated that the final will not be less than the previous year's 2.5p net.

Earnings per 10p share *for the half year* increased from 3.9p to 4p.

	Six months 1976 £	1975 £
Group turnover	2,464,251	2,173,677
Profit before tax	344,901	326,981
Taxation	179,348	170,030
Net profit	165,553	156,951
Minorities	6,579	1,934
Surplus sale property	—	6,296
Attributable	158,974	161,313

The results include a consequential loss insurance claim of £36,966 by Splintex. It is anticipated that the planned rebuilding programme will add greatly to the future profitability of that company.

Windows (BSF) suffered from the recession in the shipbuilding industry. A greater part of its production is now being concentrated in the building sector with a new range of architecturally designed aluminium windows which should vastly improve its profitability, the directors state.

Anglo Indonesian Plantations

The Anglo-Indonesian Plantations' Board is confident that the dividend for the current year can be maintained at 1.25p net per 25p share, says the chairman, Mr. M. Nightingale. As known group profit, before tax, for 1975 was £357,440 (£333,534).

The chairman reports that the holding in Eva Industries now amounts to 20 per cent. of the equity of that company. There is no intention of making a bid for it.

Mr. Nightingale says the year was a difficult one for the joint venture with the Indonesian Government. The Commonwealth Development Corporation has expressed a wish to work in partnership with P. T. Tatar Anjar Indonesia in some of its agricultural operations in Indonesia. As a first step, it is intended to increase the capital of Tatar Anjar, and, subject to approval, CDC has agreed to subscribe approximately £110,000 which would give it 14.33 per cent. of the increased capital.

Recently AIP made an agreed offer for the Ordinary of Preference capital of Central Province Ceylon Tea Holdings.

Meeting, 3/7 Queen Street, E.C., August 26 at noon.

Boulton & Paul upsurge

PRE-TAX PROFITS more than doubled from £1.58m. to £3.35m. as reported by structural engineers, woodworkers, etc., Boulton and Paul for the year to March 31, 1976. After the first six months the advance was from £0.91m. to £1.21m.

Earnings per 25p share for the year are given at 6.9p (2.3p) and the dividend is 4.5p (1.2p), costing £1.13m.

The company is a subsidiary of BET.

	1975-76 £000	1974-75 £000
Turnover	55.324	44.656
Profit before tax	3,345	1,579
Tax	1.545	965
Net profit	1,908	614
Minority profit	21	—
Extraordinary debits	35	115
Attributable	1,744	499

Brown Boveri Kent set for expansion

THE FINANCIAL resources of Brown Boveri Kent have been greatly strengthened and enable the group to continue a programme of capital investment and improvement to facilities, the chairman, Mr. J. G. Vaughan, says in his anual report.

However, with inflation and interest rates still relatively high in the U.K., the need is recognised to increase the return on funds, significantly beyond present levels, *if real growth and adequate* liquidity are to be sustained.

The trend to higher margins was affected by the cost of moves into new factories, and also by losses in other small companies, notably Evershed PowerOptics, which incurred substantial contract losses associated with the *new National Theatre in London*.

In the next few years, the group faces major challenges, both in developing new products and in improving the efficiency of production, the chairman says.

Pre-tax profits for the year ended March 27, 1976, increased from £953,000 to £2.45m. The *dividend is the foreshadowed* 1p net (nil) on capital increased by a rights issue.

The current year has started with a healthy backlog of orders, but not as evenly spread as might be wished. It is proposed to *change the year-end to December* 31.

In the process control companies higher margins were achieved world-wide and the level of activity remained generally buoyant, although the backlog of unexecuted orders was somewhat reduced by the end of the year.

Sales of domestic water meters were adversely affected in many parts of the world due to the general recession, but results were nevertheless satisfactory.

BBC Brown Boveri underwrote the share issue and subsequently acquired some of the shares previously held by the Rank *Organisation. As a result it now* holds 34.5 per cent. of the group's equity and the increase in holding is regarded as a further expression of long term confidence, says Mr. Vaughan.

The National Enterprise Board also holds 17.6 per cent. of the Ordinary shares. Meeting, Con*naught Rooms, W.C., September* 3 at noon.

Chairman's statement Page 20

CALEDONIA INVESTMENTS LIMITED

Sir Nicholas Cayzer's Statement

The 47th Annual General Meeting of Caledonia Investments was held on July 28th in London. The following is the circulated statement of Sir Nicholas Cayzer, Bt., the Chairman:

The results for the year are rather better than those anticipated at the time of the interim announcement.

In a difficult year it is encouraging that our industrial subsidiaries, Amber Industrial Holdings and Urquhart Engineering, improved their contributions to Group profits and that, in the case of Amber, an increase in exports was a material factor in the better performance. Our thanks are due to the managements and staffs of the various companies comprised within those groups for the considerable efforts they have made to achieve such results.

Inevitably, the overall profitability is governed very much by the dividends which we receive from our shareholding in The British & Commonwealth Shipping Company Limited (B & C). These were up to the maximum permitted by the present regulations.

The market value of our investments shows a welcome increase from the level obtaining at 31st March, 1975.

Last year, at this time, I advised you of the difficulties which surround a Canadian property development company where a significant proportion of the shares of the company are held by non-residents and that we had disposed of a part of our shareholding in Bramalea Consolidated Developments Limited. In the course of the year we realised the balance *of this holding. In addition, we disposed of* a 5 per cent. holding which we have had for some years in an unquoted South African finance company, as, arising from a merger with another similar undertaking, our percentage stake—still in an unquoted company—would have been much reduced. Both transactions yielded worthwhile capital profits.

These realisations have contributed to our liquidity. When looking at the proportion of our assets held in this form, it is necessary to remember that indirectly we hold 49 per cent. of the not inconsiderable portfolio and other investments of B & C.

In conclusion, I would wish to refer to the retirement of Mr. John Stephenson from the Board of the Company. He has been a valued colleague for 25 years, having joined the Company shortly after the 1951 reconstruction. It is sad that through ill-health he has found it necessary to retire from his business activities.

The report and accounts were adopted.

Since March 1974

NORCO LTD.

has been part of the

PURE LARD GROUP

It has now been agreed that Mr. George Alcock should leave the Group. This was made effective on the 9th July 1976. It has also been agreed that Mr. George Alcock will be entitled to operate a new company under the name of Norco Limited. The existing company "Norco Ltd." will retain all its assets, change its name as soon as practicable and continue to operate its bulk storage and transport business.

INTERIM STATEMENT

Y. J. LOVELL (HOLDINGS) LTD.

INTERIM STATEMENT FOR HALF-YEAR TO 31st MARCH, 1976

The results of the Lovell Group for the half-year to 31 March 1976 are detailed hereunder:

	6 months to 31.3.76 Turnover £000	Trading Profit £000	6 months to 31.3 75 Turnover £000	Trading Profit £000	12 months to 30.9 75 Turnover £000	Trading Profit £000
Construction & allied trades	19,531	411	15.906	260	33.876	918
Timber Group	3,225	201	3,296	210	6.369	436
	22,756		19.202		40.245	
Less Inter-division sales	336		278		730	
	22,420	612	18.924	470	39.515	1.354
Profit on purchase and cancellation of Debentures		23		—		8
Group Profit before Taxation		635		470		1.362

The figures are in accordance with expectations. The improved performance of the Construction Division over the corresponding period last year has resulted in a satisfactory increase in the Group's trading profit. As in the past, the second half of the year is likely to produce profits in excess of the first half.

Capital expenditure cuts in the public sector are bound to have an adverse effect on an already *debilitated construction industry but, insofar as the current year is concerned, the Lovell Group* has an order book sufficiently profitable to justify continuing optimism.

The Group intends to make a rights issue of 1 for 8, full details of which will be contained in a circular shortly to be issued to shareholders. The Treasury has provisionally agreed to a proposal to pay a dividend for the year to 30 September 1976 of 3.48p per share net (1975 actual dividend 2.11p per share net). The Directors expect to recommend such a dividend.

27 July 1976

Lovell

Beecham cautious on growth rate

A CAUTION that last year's profit increase of 47 per cent. before tax had been exceptional was sounded at yesterday's annual meeting of Beecham, the pharmaceuticals and consumer products group, by the chairman, Mr. *Graham* Wilkins.

"It goes without saying that no company of our size is likely to raise its profits by more than 40 per cent. a year on a regular basis," he told shareholders. "In other words, last year we enjoyed a huge surge which took us above our long-run trend, just as in the previous year the downturn in the U.K. took us below our long-run trend. What matters, of *course, is the long-run trend* itself."

Noting that the group's U.K. businesses had recovered extremely well in 1975-76, he said they still had problems "and this will continue to be the case as long as the system of price controls in this country is based more on political expediency than *on* economic requirements. But at least we again started to move in the right direction in the U.K."

Mr. Wilkins hit out strongly at dividend control, claiming that the argument that it would be unfair to leave dividends alone when incomes are under restraint did not stand up to much examination. He said that from March, 1974, to March, 1976, the cost of wages, salaries and other employee benefits to the company (half of whose employees are outside the U.K. and so mostly unaffected by controls) increased by 81.7 per cent. *Over the same* period, however, dividend payments rose only 19.7 per cent.

Several other annual meetings were *held yesterday. The following* are extracts from the chairmen's statements.

British and Commonwealth Shipping—Sir Nicholas Cayzer said indications were that results for 1976 would show an improvement over 1975. "But in a fast *changing world budgets based on* the best information available could be subject to pretty dramatic change."

He described the Castle Holidays subsidiary as "a constant source of worry." With a falling pound, the uncertainty of employment, excellent weather in Britain, and political disturbances in Spain, results could not be other than bad.

Ferranti—the group was trading profitably in the current year, said the managing director, Mr. Derek Alun-Jones. In 1975-76, the company recovered to a profit of £4m., (loss £488,000).

Talks between Ferranti and Plessey on whether to merge their microelectronics interests were still continuing. The National Enterprise Board and the Department of Industry were involved in the negotiations. Government finance of £10m. could be involved in any resultant deal.

Brunning Group — Trading figures for the first quarter showed "a very satisfactory increase in profit" over the comparable period of 1975-76, Mr. Geoffrey Brunning reported.

Eva Industries—Mr. Roy Astley reported that trading results for the first quarter were comfortably ahead of the corresponding period of 1975-76. Although not included in group profits, he mentioned that trading results in Brazil had *shown a quite dramatic improvement.*

Cope Sportswear—Mr. S. Cope was able to report favourably on the first half, as the company had operated at higher levels in both sales and profits.

The directors had been giving a great deal of thought to future activities and had decided to expand the manufacturing facilities: that would involve a three-year development plan. With the introduction of new plant and machinery they were confident that group products would compete favourably with many of the items currently being imported from low cost countries and the ability to deliver quickly would attract home buyers.

Dorman Smith Holdings—Mr. T. G. Atherton said that business conditions in the company's sector of industry remained very difficult. However, orders received during the first quarter were up by 8.5 per cent. on the same period last year, though despatches were *down by 8.5 per cent.* over the same period.

After 10 years of uninterrupted progress, it was almost inevitable *that the current year would be* one of consolidation of productivity, capacity and organisation.

Estates and General Investments—*Mr. J. K. Laurence said* the grounds for the auditors' qualification in the accounts had now been removed. This followed the purchase by the company of the contents of the Victoria Hotel, which the company had been running since the liquidation of Castlepoint Properties.

The value of EGI's security exceeds the £700,000 loan involved. Auditors Touche Ross have agreed that if the purchase had taken place before the accounts were signed no qualification would have been necessary.

SEE Developments, an associate company, had sold its largest property for over £400,000 and the advance to that company has been much reduced.

Bridgend incurs £0.28m. loss for 18 months

FOR THE 18 months ended December 31, 1975, Bridgend Investments incurred a pre-tax loss of £281,045 compared with profits of £26,329 in the year to June 30, 1974.

Basic loss per 5p share before *extraordinary* debits is 1.54p (0.06p earnings) and 6.57p (0.12p) loss after such items. Again there is no dividend—in the 15 *months* to June 30, 1973, dividends totalled 0.28p.

The chairman, Mr. R. Hamilton-Peters, says in his annual statement that the Board has completed various measures designed to eliminate once and for all the uncertainties affecting the group's affairs and arising out of transactions entered into many years ago.

The main business of the group is the development and exploitation of certain unique processes relating to the moulding of plastics around structural reinforcements, and significant income is now beginning to flow as shown in the accounts.

For the future, the level of profit will be closely related to the success in widening the commercial use of the proprietary processes. With foreseeable expenditure already matched by assured income from the earliest licences, additional future exploration of the processes can only have a marked impact on profits.

The Board expects shortly to be able to announce a successful outcome to present licence negotiations relating to both the group's main processes. The group has been transformed from a general investment holding company, with a chequered past, into a well organised group specifically concerned with high technology and the development, licensing and operation of new processes.

To complete the transition and to recognise the group's clear leadership in its central areas of activity, it is proposed to change the name to Bridgend Processes.

	18 months 1975 £	Year 1973-74 £
Income†	382,134	108,796
Expenses	262,337	24,901
Assoc. loss	194,768	*25,248
Loss	281,045	*26,329
Tax	15,010	13,391
Extraord. debits	988,180	36,180
Minorities	3,422	—
Attrib. loss	1,287,687	23,242

*Loss.

†Included £284,240 (£6,250) income from technological processes.

Mann & Overton

LONDON TAXICAB specialists and motor engineers, Mann & Overton, reports an expansion in taxable profit from £274,000 to £398,000 for the six months to April 30, 1976. And the directors say that with the larger demand for taxicabs being maintained they expect results for the full year to show a *significant* advance on last year's £531,266.

The interim dividend per 25p share is stepped up from 0.94p to 1.034p net. The total payment for last year was 3.11p.

Turnover for the first half amounted to £3.08m. (£2.13m.). *Tax took £307,000 (£145,000)* leaving the net balance up from £131,000 to £191,000.

Plastic Constructions

From advanced turnover of £3.09m. against £2.45m., pre-tax profit of Plastic Constructions for the six months to March 31, 1976 declined from £179,828 to £166,219.

However, the directors say that all sections of the industry continue to advance and they are making every effort to improve margins in the second half.

To reduce disparity with the final the interim dividend is raised from 1p to 1.25p net absorbing £20,718 (£16,374) after waivers. Last year from profits of £381,753 a total payment of 3.38p was made.

After tax of £86,627 (£93,300) the net balance for the half year emerges at £79,592 (£86,528). Including minorities the attributable figure is £78,866 (£85,663).

Winding-up orders

Orders for the compulsory winding up of 53 companies have been made by Mr. Justice Oliver in the High Court. They were:

Seconda Engineering Services, Arram Electrics, All Kinds, Coddene, S. Jones (Coals), Transeunt, B. and H. Factors, Lincrock.

P. and P. Shade Manufacturing Co., Keyes of Walton, C.W.T. and F. Properties, Hernford Properties, Gown Managers, Nuttal-Wray Manufacturing Company, David Broadhurst (Car and Commercial Sales), Stradbally Contractors.

Finnexpress, S. J. Mitchell, T.C. Display Services (Melbourn), Ideal Ropes, Penn and Roberts (Holdings), Hall Brothers (Shipping), Match Insurance Brokers, Greenscourt Construction.

Marmmead, A. and P. Jarvis, P. T. Barnard and Associates, Clancool, Cloederk, I.F.S. Lee's Transport, Trescott Homes, John Street (Manufacturers).

Pavement Light Constructions, P. Edward Reynolds and Son, O'Connor and Davies, Everbrite Fabrications, Davegate Properties, Bestrafram.

Track Star Promotions, V.G.D. (Builders and Contractors), Pearlvar, Anchor Roofing, Bartworth, Padrano.

Highway Maintenance (1927), Voxstar, Kingston Heating Company, Avondale Properties (Luton), Pamohan, Bath Lane Motors.

Motron Engineering Supplies, G. P. Copelin, T. J. O'Sullivan and Son (Oxford), S.C.A. (Freight), and R. Leone (Surbiton).

Constables (G.B.)

An order for the compulsory winding-up of Constaples (G.B.), made on July 12, has been rescinded and the petition dismissed by consent.

Capital Annuities

A petition by Capital Annuities to wind up the company for which the Official Receiver has already been appointed voluntary liquidator, was adjourned until October 4, because the Policy Holders Protection Board wished for further time to consider the case.

THE BRITISH & COMMONWEALTH SHIPPING COMPANY LIMITED

Tendimus*

1975 Gross Revenue	£181,500,000
1974	£148,000,000
1975 Gross Profit	£16,396,000
1974	£19,196,000
1975 Profit Before Extraordinary Items	£8,670,000
1974	£8,660,000
1975 Ordinary Dividend	Gross 23.2%
1974	Gross 21.1%
1975 Cost of Dividends	£2,441,000
1974	£2,453,000

Sir W. Nicholas Cayzer Bt. brings up to date his published report

At the Annual General Meeting held on July 28th the Chairman Sir W. Nicholas Cayzer Bt. said:

In my statement which accompanied the Accounts I advised that I would up-date my *remarks at this meeting.*

While inevitably there will be a degree of overlapping, I think it may be convenient if I divide my comments into three main sections, namely, the financial and trading position of the Group; the internal and external pressures which have a bearing not only on our immediate situation but on our future planning and, in the light of the above, to outline, in the broad, a strategy for the future.

I do not propose to deal in detail with each *item in our balance sheet, but I would wish to* draw your attention to certain aspects which, on a cursory examination, may create a wrong impression. Fashions change, but there was a period not very long ago when it was considered to be the sign of a decadent organisation if significant gearing was not a factor of financial *policy. We have borrowed and will continue to* borrow if loan terms are attractive and if it appears, in relation to foreign borrowings, that either we hold assets which are likely to maintain their value and are realisable in foreign currency or that earnings are in the appropriate currency or are related to that currency. At the same time, *rather like a bank, insurance company or* building society, we consider that it is necessary to maintain a reasonable degree of liquidity so that, in the event of unforeseen circumstances, the part will not bring down the whole.

In the Directors' Report, it is stated that in their view the Group properties have a market value *significantly in excess of book value and I have* stated that we consider the book value of the fleet to be realistic. The other fixed assets are aircraft and plant and equipment. As the aircraft relate almost wholly to the successful helicopter operations, and as the value of plant and equipment is not large in relation to the scope of the *activities, I have no reason to believe that the* book value attributable to fixed assets is an overstatement of their worth.

Thus, I am satisfied that we have a sound balance sheet position and now turn to the profit arising from the utilisation of the assets.

Leisure Industry

It is the responsibility of your Board to turn these assets to good account and here I think it is *important to recognise the fallibility of human* judgement and the fairly marginal differences which cause success or failure, not least of which is an element of luck. When we became involved in helicopter operations the situation looked promising, but we could not be aware of the extent to which helicopters would be used in the development of mineral resources world-wide and in the North Sea in particular. That was a plus. On the other hand, the large increase in oil *prices which made oil exploration more attractive,* has contributed to our failure to produce satisfactory results from our venture into the leisure industry in the shape of Castle Holidays and the hotels in the Canary Islands. Not only have increased oil prices resulted in higher flying costs, but have been one factor in worsening our *balance of payments position with a consequent* effect on the value of the pound. Package holidays abroad are no longer cheap, particularly to the more distant locations, such as the Canary Islands.

Castle Holidays has been a constant source of worry. Excess capacity in 1973 and 1974 *caused the demise of well-established operators* such as Horizon Holidays and contributed to the downfall of Court Line which had a considerable effect on our own operation. In 1975 we began to show an improvement, which was encouraging. Owing to the time-lag between setting up an operation and its fulfilment we had to decide in *1975 either to cut down establishment costs or to* allow a modest enlargement of our programme. It was decided to adopt the latter course. A falling value for the pound, the uncertainty of employment, excellent weather at home and political disturbances in Spain, mean that the decision will not be justified and the results *cannot be other than bad.*

Our hotels, other than Mount Nelson which continues to trade satisfactorily, show little improvement from the very poor performance in 1975. We have given notice of termination of the lease of one hotel in Tenerife where the rental payable is out of proportion to present potential *profitability.* Of the remaining two, a mixed freehold/leasehold in Las Palmas and a freehold in Lanzarote, the latter is the better prospect, but we shall have to spare no effort in seeking to *improve the level of occupancy.*

By way of illustration, I have singled out two trading activities, one plus and one minus, for if, as a large Group, we are not to stagnate there will be pluses and minuses. The measure of our success will be determined by the excess of pluses over minuses, our ability to spot and support the winners and discard the losers before they do any serious harm.

Shipping

In regard to the shipping scene, you will be aware that the bulker trade, although showing some improvement, is still in the doldrums. The liner trades are holding their own, though import controls, announced last week by the South African Government, are bound to have an effect on carryings to that country.

Overall, *our present estimates indicate* that the results for 1976 will show an improvement over those of 1975, but I must remind you that we live in a fast changing world and that budgets based *on the best information available can be subject* to pretty dramatic change. In presenting this picture I would wish to give due credit to some of the smaller group operations which, in terms of *size, do not warrant separate mention but which,* year by year, make a very useful contribution to profits.

Whatever profits we achieve we are not, either at home or abroad, masters of our own destiny. A simple illustration of this is the intrusion of Russian tonnage into our liner trades. As I stated last year, normal criteria do not apply to the operation of such ships; the intent is the earning of foreign currency and a weakening of the West. This is a very real threat and may require intervention at Government level, but an interesting aside, when one hears so much about the merits of communism, is to know that the Russian seafarer is paid much less than his British counterpart —so much for communism.

Government Policies

World trade is, of course, the foundation of our national existence and there are signs that it is picking up. This country is not self-sufficient. We are dependent on our trade with the rest of the world and, being so, must recognise that other nationals do not consider that they owe us a living. We must make our own way and we will do so only if we become and remain competitive. I am concerned about the irrelevance of pushing measures through Parliament, *if needs be by the* use of the guillotine, which looked at objectively can do little to improve our trading position. Will it really help if shipbuilding yards are nationalised? Is it really essential that certain areas around the docks should become the reserve or preserve of a certain section of our society and is going *comprehensive the panacea for all our educational* ills?

Some years ago I referred to the growing power of the Unions and expressed the hope that it would be used wisely. There is no doubt that they have used their bargaining power with considerable effect, but the acceptance of an incomes *policy indicates belatedly a realisation that going* too far and too fast was creating a situation where the benefits obtained were likely to be almost instantly eroded by inflation. There is only one cake available for division and it is useless for the National Executive Committee of the Labour Party to propose a programme for Britain *involving an additional Government commitment* of £8 billion without realising that wealth has to be created before it is available for use, however desirable the project. Is it beyond us to concentrate for the time being on the size of the cake rather than its division?

Part of the same story can be recognised in the *growing number of people who are paid by the* State or, if not directly employed by the State, look to it to provide the wherewithal for a *sheltered existence. I draw your attention to the* latest proposal of the Home Policy Committee of the Labour Party — no cuts in spending and the nationalisation of the four large banks and the *seven* largest insurance companies. If this ideology goes unchecked we shall be heading rapidly towards a form of corporate state which *would limit severely the freedom of the individual* and restrict our chances of recovery. We must recognise that this, or worse, is the design of a hard-working Marxist minority, both inside and outside Parliament and the Unions, and that such activists have distruptive powers far beyond their numbers.

The recent intimation of cuts in public expenditure is a hopeful sign that at least some of our political masters are beginning to see the light, though I am very unhappy about the further impost on industry of the increase in the employer's national insurance contribution.

There are certain things which the State has to do, and probably can do *best,* but if we are to survive as a democracy there should be a large area where initiative and enterprise have a real *opportunity of reward.* After all, it was the private individual who gave us most of the amenities that we now enjoy and socialist policies have only been possible because of free enterprise. To achieve a proper balance there must be a true belief in the mixed economy and a discarding of dogma. A Group such as ours must be encouraged *to practice good husbandry,* to conserve its seed corn and within its resources to experiment with the development of new seeds and new technologies. Only a stupid farmer, having established a sound base by his previous efforts, would risk more than a sensible proportion of his assets in a single new venture, however encouraging the prospects.

Future Prospects

It is against this background that your Board has to develop a *broad strategy* for the *future.*

We are still heavily involved in shipping with our remaining liner trades and our interests in OCL and Safmarine and, subject to a reasonable level of trading to and from the areas which they serve, there is no reason to believe that they will not continue to make progress. At the moment *bulkers are a problem, but we take the view that,* given some improvement in world trade, they should be capable, over the years, of producing a reasonable return on the capital employed.

Helicopters are a major contributor to profits and a number of our other interests are not without promise.

As I have already stated, we have our lame ducks, but we shall find an answer one way or another to these problems.

Thus, we believe that the future of the Group should be founded on a strong balance sheet; that we should not be afraid to seek new opportunity, provided always that only a sensible proportion of our resources is committed. Resources are not limited to finance. Probably the richest asset of this country is the skill of its people most of whom are, one way or another, individualists who are motivated in many different ways. We recognise that degrees of skill, initiative and the carrying of responsibility must be adequately rewarded if we are to retain and develop the kind of management which is so essential in this highly technical age. Among the motivations is a wish to improve one's way of life and, sadly, in this country high taxation is a very successful deterrent and contributes to the loss from these shores of much promising talent.

Finally, let me repeat in essence, but with emphasis, what I have said on many occasions. I *believe in free enterprise. I have no doubt that it* can be improved in its attitudes and efficiencies, but it remains the best hope and the most important ingredient of the 'mix' for the future prosperity of this country. Freedom and prosperity are indivisible.

***TENDIMUS (the B & C motto)—We press forward**

For a copy of the Report and Accounts telephone 01-283 4343 (Ext. 239) or write to the Company at Cayzer House, 2-4 St. Mary Axe, London EC3A 8BP.

MINING NEWS

Tin concerns departing without tears

BY KENNETH MARSTON, MINING EDITOR

FOR THE THIRD day running this week the mining industry produces the kind of complicated financial proposals for which it is renowned. This time we have the full details of the proposed change of domicile from London to Malaysia of **Ayer Hitam, Tronoh** and **Sungei Besi**. The message in simple terms is that this is a deal which U.K. shareholders cannot afford to refuse.

As already announced, holders of the present London-based companies will exchange their shares on a one-for-one basis for shares in new Malaysian-registered companies. The new shares will thus rank as foreign currencies and the investment dollar premium will apply to their London prices.

U.K. shareholders will pay higher tax on dividends from the Malaysian companies but the latter will pay less tax on profits. Consequently, they will be able to distribute more and thus largely offset the effect on shareholders' net income of the increased dividend tax. And the absence of any dividend restriction in Malaysia is a particularly important point as far as the prosperous Ayer Hitam is concerned.

The main argument for the moves lies in Malaysia's desire for local ownership of industry to be increased to 70 per cent. by 1990. Clearly, there can be little point in shareholders attempting to frustrate this policy by voting against the proposals at the respective London meetings on August 25.

Malaysia wishes to achieve her aims not by any form of compulsory acquisition but by the creation of a climate that will attract domestic buyers of the shares. Malaysian shareholders will, for example, have a reduced tax liability on dividends as a result of companies' change of domicile which could also pave the way for an expansion of mining operations. Certainly, Tronoh will be hoping that progress will be made on the development of its projects in Perak and Selangor which have had to be suspended so far.

BOUGAINVILLE'S LOWER OUTPUT

Lower production is reported for the June quarter by the Rio Tinto-Zinc group's big **Bougainville** copper-gold mine in Papua New Guinea. The amount of ore milled fell to 7.77m. tonnes from 8.04m. tonnes in the March quarter and this coupled with a further lowering of the copper grade to 0.6 per cent. reduced the output of contained copper to 39,729 tonnes. Gold production was also down.

Copper production for the half-year amounts to 87,495 tonnes compared with a 12-month total of 172,477 tonnes in 1975. On the other hand, the mine should be receiving a good deal more for its coper than in 1975 when the price averaged only £577 per tonne, although revenue from gold will have fallen in line with the latter metal price. RTZ's 80.7 per cent.-owned **Conzinc Riotinto of Australia** holds 53.6 per cent. of Bougainville Copper the shares of which were 150 yesterday.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TO-DAY

Interims—Allied Textile, Amalgamated Metal Corporation, Barclays Bank, Beaumont Properties, Colonial Securities Trust, Drayton Commercial Investment, Kingside Investment, Ladies Pride Outerwear, Manchester Garages, Prestige Group, Pride and Clarke.

Finals—Anston (Holdings), Astra Securities, K. O. Boardman International, Dacian Holdings, Fitch Lovell, Forminster, Gordon and Gotch, Inchcape, J. Jarvis, Linfood, Lowe and Brydone, Macarthys Pharmaceuticals, Magnet and Southerns, Midland Trust, Provincial Laundries, Routledge and Kegan Paul, Swan Hunter.

FUTURE DATES

Interims—	
Royal Dutch Petroleum	Aug. 12
Securicor Group	Aug. 10
Security Services	Aug. 10
Shell Transport and Trading	Aug. 12
Westinghouse Brake and Signal	Aug. 3
York Trailer	Aug. 4
Yorkshire Chemicals	Aug. 6
Finals—	
Chubwa Tea	Aug. 12
Dixons Photographic	Aug. 5
Property Security Investment Tst.	Aug. 3
Ransom (William)	Aug. 5
Scottish Assam Tea	Aug. 10
Sound Diffusion	*Jul. 30

* Amended

SOUTH AFRICA'S UNSOLD GOLD

Underlining South Africa's difficult economic position, which has been largely brought about by the recent fall in the price of gold, come figures from the Reserve Bank which show that total reserves, including gold, fell by R17.4m. to R736.6m. (£476m.) in the week ended July 23.

A sizeable retention of gold was made from the uneasy free market, this being indicated by a rise in gold holdings of R3.2m. to R380.3m. (£246m.). During the week the gold price averaged $111.375 per ounce. It closed at $113.875 yesterday.

AUDIMCO STILL HAS GEM HOPES

Australia's **Audimco** says that it has reached agreement with **Sibeka** of Belgium and an international fund controlled by **Hambros Bank** on a joint venture covering diamond exploration and development at Copeton in northern New South Wales.

The deal allows Sibeka to earn an undivided interest in the venture of 33½ per cent. and Hambros 16⅔ per cent. after respective expenditures of $1m (£0.7m.) and $0.5m.

Audimco claims that the area contains 1m. cubic metres of diamond bearing sediment. Three years ago, it was reported that Audimco had found seven diamonds of undisclosed size at its Copeton leases and the company's shares bounced up to $2.30 in Sydney. They have been standing there at around 30 cents recently and were a nominal 23p in London yesterday.

MINING BRIEFS

GOLD AND BASE METAL MINES OF NIGERIA—June output of tin concentrates (75 per cent. grade) 27 tonnes. Production for six months to date 177 tonnes (Same period 1975, 190 tonnes). June columbite output ½ tonne. (Six months to date 3½ tonnes, same period 1975, 3 tonnes).

GOLD AND BASE—June output of tin concentrates (73 per cent. grade): 27 tonnes, Columbite ½ tonne. Six months' output to date: 177 tonnes and 3½ tonnes respectively. Same period 1975, 196 tonnes and 3 tonnes respectively.

PEKO-WALLSEND—

	16 weeks to 6.7.76	Year 1975-76
Peko Mine		
Ore treated (tonnes)	—	8,468
Production		
Copper (tonnes)	—	36
Gold (ounces)	—	4,223
Bismuth (kilograms)	—	79,050
Warrego Mine		
Ore treated (tonnes)	47,654	145,152
Production:		
Copper (tonnes)	466	1,464
Gold (ounces)	23,344	120,719
Bismuth (kilograms)	156,599	605,196
Orlando Mine		
Ore treated (tonnes)	—	—
Production:		
Copper (tonnes)	—	—
Gold (ounces)	—	—
Juno Mine		
Ore treated (tonnes)	12,692	39,821
Production:		
Copper (tonnes)	35	119
Gold (ounces)	11,063	37,698
Bismuth (kilograms)	43,433	133,599
Mount Morgan Mine		
Overburden removed (tonnes)	242,992	1,318,046
Ore treated (tonnes)	283,030	1,005,180
Production:		
Copper (tonnes)	2,075	7,846
Gold (ounces)	16,723	44,274
King Island Mine		
Overburden removed (tonnes)	—	—
Ore treated (tonnes)	96,997	298,792
Production:		
Tungstic oxide (WO_3) (MTUs)	31,903	171,302
TOTAL PRODUCTION.		
Copper (tonnes)	2,576	9,267
Gold (ounces)	51,130	202,917
Silver (ounces)	—	77,451
Bismuth (kilograms)	232,132	777,842
Tungstic oxide (WO_3) (MTUs)	31,903	171,302
Pelton and Gretley Collieries		
Washed coal (tonnes)	105,472	371,476

The reduced copper production reflects the suspension early in February, 1975 of copper mining, milling and smelting operations at Tennant Creek (Peko and Orlando mines). Production of gold increased due to activity at Warrego Mine being confined to working the gold ore shoot and improved gold grades of ore treated at Mount Morgan: offset by a reduced tonnage of ore treated from the Juno mine. The increase in tungstic oxide produced resulted from improved grades and better recoveries. Coal production does not include the company's 31 per cent. share of the output from Gunnedah Colliery which was acquired as from January 1, 1976.

COALITE AND CHEMICAL PRODUCTS LIMITED

The fifty-ninth annual general meeting of the company was held at the Dorchester Hotel, Park Lane, London W1, on Wednesday, 28th July, 1976.

Statement by the Chairman,
The Rt. Hon. The Viscount Ward of Witley, P.C.

Board Changes

It was my privilege to succeed to the Chairmanship on the retirement of Mr. Francis Waring on 30th September 1975. It is difficult adequately to acknowledge the unique contribution which Francis Waring has made to the success of the Company since he joined it 60 years ago at the embryonic stage of trying to convert an experimental low temperature carbonising system into a commercially successful process. The success achieved in that direction and subsequently in developing the Company's oils and chemicals activity must be largely attributed to his tenacity and leadership, particularly during his period as Managing Director and then Chairman. Since he has agreed to continue as a director, we shall not lose the advantage of his lifelong experience of our affairs.

As indicated in the Chairman's Statement last year, Mr. C. E. Needham became sole Managing Director on the retirement of Mr. A. Goodsell as Joint Managing Director on 30th June 1975.

In February 1976 Mr. D. W. Korff was appointed to the Board. In his capacity as General Manager of Oils and Chemical Sales, he brings to the Board the advantage of thirty years' experience in the chemical industry.

Results

On a Group turnover of £54,997,000 compared with £49,278,000 *in the previous year, profit before* taxation was reduced from £9,603,000 to £7,936,000. A reduction in profit is always disappointing but it has to be remembered that the previous year with which the comparison is made was exceptional in producing a profit at least twice that of any earlier year.

Depreciation amounted to £3,426,000 compared with £3,082,000 last year. Added to the profit after taxation of £3,803,000 this produced a cash flow of £7,229,000 (£7,674,000) of which £2,518,000 was required as additional working capital. Net liquid funds at 31st March 1976 amounted to £4,607,000. A table *showing the* Source and Application of Funds has been introduced into the accounts.

Taxation outstanding amounts to £3,473,000 (£4,779,000).

Expenditure on capital plant during the year totalled £4,012,000, leaving £3,076,000 authorised and outstanding at 31st March 1976.

Dividend

A final dividend of 0.3541 pence per share is proposed, which *together with the interim dividend already paid makes a total of* 0.6636 pence per share compared with 0.6120 pence per share last year. This is the maximum increase allowed under existing counter-inflation restrictions.

Inflation Adjusted Accounts

Last year's Accounts included a summary of the Group's results and financial position adjusted to reflect the estimated effects of inflation. The adjustments were calculated on the Current *Purchasing Power (CPP) method then being* recommended by accounting bodies but the Sandilands Report has since recommended the use of Current Cost Accounting (CCA). The two methods are based on principles which are fundamentally different and the accountancy bodies are re-examining their original proposals. Your Directors feel that it could be misleading to continue to provide inflation adjusted information until a definite recommendation has been made and a standard form adopted. We remain none-the-less aware of the impact of inflation on our operations and of the consequent need to generate profit at a high enough level to provide funds for the future financing of our operations and to maintain the value of shareholders' equity in real terms.

Rights Issue and Authorised Capital

On 21st May 1976, the Company announced a Rights Issue of one new Ordinary Share for every four Ordinary Shares held, to those Shareholders on the Register at the close of business on 14th May 1976. As explained in my letter at the time, this is to raise approximately £3.9 million and is looked upon by your Directors as a prudent move to consolidate the Group's financial strength.

The Rights Issue was made without the need for any increase *in Authorised Capital. As will be seen from the Notice convening* the Annual General Meeting, shareholders will be invited to approve a resolution to increase the Authorised Capital to £20,000,000 by the creation of 50,000,000 Ordinary Shares of 10p each.

General Review

It was to be expected that we should suffer with the rest of industry some of the unavoidable results of industrial unrest, excessive inflation and general recession. The most depressing consequence was the need to take the Rossington Coalite Works out of operation in order to bring production into line with demand.

Coalite

A labour dispute *early in the year* had largely emptied the supply line to consumers and production was fully sold throughout the rest of the summer period, helped by merchant and consumer stocking in anticipation of coal and solid smokeless fuel price increases in October. With the long awaited cold winter again failing to materialise, and with consumers using fuel much more sparingly, sales declined substantially and it became evident that the only prudent course was to take one of the four Coalite Works out of production, since there was no evidence on which to assume that this capacity would be needed again during 1976. Accordingly in March, production ceased at Rossington and output was reduced at Grimethorpe.

The most distressing part of this unavoidable retrenchment was the *consequent redundancy of employees. Provisions for* redundancy payments and other costs involved are included in the accounts for the year ended 31st March 1976.

Coalite continues to occupy its pre-eminent position as the most popular all-purpose domestic solid smokeless fuel. The rate at which the recent decline in the sales of solid smokeless fuels is reversed, however, depends on a number of external influences which cannot be predicted with any certainty in present circumstances. One particularly unfortunate feature is that natural gas resources, which have only a limited life, are being squandered cheaply in the short-term and are thus undermining the solid fuel industry which will be needed to fill the void as the gas fields become exhausted.

Chemicals and Oils

Although the chemical and oil industries suffered continuing world-wide recession during the year, the demand for our specialised products was on the whole well maintained and this side of our activities again made an increased contribution to Group profits.

There were substantial fluctuations in certain areas however, for example in that of Ortho Phenyl Phenol. Although demand *for this product earlier in the year was so poor that* production was suspended for a period, for the past few months the plant has been operating at high output.

The new plant to increase our capacity for the production of intermediates for the manufacture of herbicides is in the process of commissioning. The demand for these products was well maintained during the year but slackened to some extent recently due to a spring in which conditions for herbicide spraying were disappointing.

We have continued to consolidate our entry into the road-binder market, with our products now accepted under the appropriate British Standard Specification.

As I said in my recent letter introducing the rights issue, it is *intended to take suitable opportunities* as they arise to expand our activities in chemicals and one step already taken in this direction is to authorise the construction of a General Purpose Chemical Plant to speed up the conversion of research effort into commercial production. The capital cost involved will be approximately £1.0M and it is due for completion before the end of 1976.

We have continued to make substantial investment in environmental improvements. An Ammonia Recovery Plant to improve the quality of the aqueous effluent from the Works at Bolsover is at present being commissioned and the construction of a new incinerator for chlorinated waste materials has been authorised.

Siebens Oil and Gas (UK) Limited

Subscription to the rights issue referred to last year increased our financial stake in Siebens (UK) to £471,511 representing a percentage holding of 6.88 per cent.

The first drilling in Block 2—10, east of the Shetlands, had produced very encouraging indications of the presence of hydrocarbons in commercial quantities but two subsequent holes failed to confirm this early promise and the Western Pacesetter drilling rig was moved onto Block 3—28 in April, 1976. While this hole has confirmed the presence of low gravity oil and evaluation is not yet complete, it appears doubtful whether the quantities are sufficient to justify commercial exploitation. This means that the present value of our holding rests mainly in the 8 per cent. stake which Siebens (UK) has in the Brae field which was discovered by Pan Ocean and has been generally reported as a major oilfield.

Employees

In the light of difficulties met during the year, the results were satisfactory and I feel sure you will join me in expressing appreciation to employees at all levels for their contribution to them. It has been pleasing to see a better understanding developing between employees having different areas of responsibility and an increased appreciation of mutual dependence throughout the Company on maintaining and where possible improving the efficiency and profitability of our operations.

Prospects

The uncertainties faced by industry are still such that forward estimating remains a hazardous and not particularly constructive exercise. Having taken steps to maintain the financial strength of the Company, your Directors are confident that we are in a *position to take full advantage of the opportunities which will* accompany the awaited return to a reasonable rate of domestic inflation and a general resurgence in trade.

BIDS AND DEALS

GO in talks with Anglo and Argyle

In a further step to consolidate the complex financial interests of Sir James Goldsmith his master company, Generale Occidentale, announced yesterday that it was having discussions with Anglo-Continental Investment and Finance and Argyle Securities with a view to buying out the shares in both companies not already owned by the group.

GO currently holds 67.9 per cent. of Anglo-Continental, which in turn owns 47 per cent of Argyle. The talks are expected to lead to an offer of 65p a share in cash for Anglo-Continental, valuing the company at £22.4m., and 50p in cash for Argyle, which *capitalises it at £11.33m.*

With the passing of formal control of Cavenham to GO recently, Sir James has said that a London *listing for GO is under consideration.*

One result of this deal was that Anglo-Continental's stake in *Cavenham dropped from 20 per* cent. to 16.2 per cent., so preventing Anglo Continental from "equity accounting" for its stake, which accounted for three-fifths of A-C's trading profits in 1974-75.

On Monday, it announced that it was also negotiating with *Leslie and Godwin* to merge its insurance subsidiary Wigham Poland.

Argyle for its part, with the aid of GO, has been rapidly de-gearing. In the year to March 1975 it realised assets for a total of £16m. and since the year-end has sold dealing and investment property for £12.3m.; the development programme is now virtually complete.

A large minority holder in Argyle is the Post Office Staff Superannuation Fund which holds 13.4 per cent. Last year Argyle sold its interest in Les Magasins du Louvre development to the fund for £1.5m. realising a profit of £1.1m.

Yesterday, Anglo Continental shares rose 9½p to 61½p. Argyle registered a 9p improvement to 49p and Cavenham gained 1p to 103p.

See Lex

VENESTA COMPANY CHANGES HANDS

With financial support from the ICFC, Mr. G. R. Daykin, managing director of Venesta International Components, Mr. R. E. Bowman (marketing director) and Mr. P. S. Dolden (finance director) have acquired from Sir Charles Hardie, the Receiver of Venesta International the capital of Venesta International Components, a manufacturer of materials and components for the building industry.

G. R. DAWES

G. R. Dawes Holdings has agreed to acquire the 11,950 shares in Cole of Bilston not already *owned by Dawes for £390,000 cash,* payable on completion out of existing resources.

Profit of Cole for the year ended March 31, 1976, amounted to £412,014 inclusive of deposit interest received (from G. R. Dawes and Co., a wholly-owned subsidiary of G. R. Dawes Holdings) of £66,210, and net tangible assets at that date amounted to £786,562 including £779,497 on deposit with G. R. Dawes and Co.

ROYAL SOVEREIGN PREFERENCE

Dickinson Robinson Group will make a cash offer for the 87,935 5.25 per cent. Preference shares in Royal Sovereign at 60p per share at the same time as the offer for the Ordinary.

The offer for the Preference will be conditional, inter alia, upon the offer for the Ordinary becoming or being declared un*conditional.*

LILLESHALL

The Lilleshall Company has acquired for cash the capital of Shotclean and Painting and its associated company Full Force Compressors. Total consideration *is four times the aggregate* audited profits before tax of the Shotclean and Full Force for the year ending February 28, 1977 with a minimum payment of £100,000 and a maximum of £300,000.

Net assets being acquired amount to £58,000 as at February 29, 1976, and the aggregate net profits before tax for the current year are expected to be in the region of £40,000.

Adams Foods offer for Broadhursts

The shares of Adams Foods, in which the Irish Dairy Board has a controlling stake, fell by 2p to 27p yesterday on the news that it is to make an agreed £750,000 bid for the cake and biscuit company, Broadhursts and Co. (Gadbrook).

Terms are shares in Adams to the value of £750,000, equivalent *to 2.8m. shares at last night's* price, for the Ordinary and "A" shares of Broadhurst, plus up to £70,000 cash within 18 months. *This element will depend on the* actual costs of certain claims outstanding against Broadhurst. For the 2,000 preference shares, 30p cash is offered.

The Board of Broadhursts, with the exception of Mr. P. L. Canevali, who is abroad on business, has irrevocably accepted *the offer in respect of its own* holdings of 9.5 per cent. of the Ordinary shares and all of the "A" shares; it recommends other *shareholders also to accept.*

Broadhursts' net tangible assets, as at December 27, were £659,742 and pre-tax profits for the year came to £125,444.

BROWN BROS.

Brown Brothers Corp. has issued 333,334 Ordinary shares and paid £71,400 cash in connection with the final instalment on the purchase of V. A. Aff in July, 1973.

GIBBS SAGE

A merger has taken place between Antony Gibbs and Sons (Insurance) and Lionel Sage and Co. to form a new company Antony Gibbs Sage.

E. SHEPHARD

Joplings' offer to acquire the *capital of E. Shephard not already* owned for 81p per share has been declared unconditonal.

H. COX

The offer document for H. Cox and Sons (Plant Hire) by Transport Development Group, has been posted. Last week it was announced *that TDG had acquired* control of Cox.

GARNAR SCOTBLAIR

Garnar Scotblair has issued 83,410 Ordinary shares in connection with the acquisition of Gryfe Tannery, a leather business situated in Scotland. Net assets of Gryfe at October 31, 1975 were £124,725.

PEACOCK SASINI

The Warren Plantation Holdings offers for Peacock Sasini Estates not already owned have *been declared unconditional.* The principal offer will remain open but the cash offer is closed.

Acceptances have been received for 7,629 Ordinary shares (0.34 per cent.) in respect of the cash offer and 1,218,423 Ordinary shares (53.59 per cent.) in respect of principal one. Warren held 818,984 *Ordinary shares (36* per cent.) before the offers.

SHARE STAKES

Scottish Amicable Life Assurance, with its sub Scottish Amicable Pensions Investments, now holds 1,161,250 Ordinary shares in Young Companies Investment Trust (17.86 per cent.).

Birmingham and Midland Counties Trust now holds 1.6m. (60.67 per cent.) Ordinary shares *in William Reed and Sons.*

Mr. M. Menko, has reduced his holding in Flexello and now holds 1,043,739 Ordinary shares (31.55 per cent.). His former holding was 35.37 per cent.

Mr. J. G. Cluff now holds 12,100 £1 stock units in Holyrood Rubber (14.04 per cent.).

ASSOCIATES DEALS

Laurie, Milbank has bought 30,000 Dent Fownes at 19p xd and 35,000 at 19½p on behalf of Ace Investment Company, a subsidiary of Anglo-American Finance. It has also sold 15,000 at 19p xd for an associate.

Gittins and Co. has bought 2,500 Malit Securities at 22p for Davis Investments (Jersey).

Sternberg, Thomas Clarke has sold *5,000 MY Dart at 31p on* behalf of associates.

Laing and Cruikshank has bought 17,024 Allan Kennedy at *35p for* Ferguson Industrial Holdings.

Cazenove has bought 1,268 Metropole Industries at 50p on behalf of International Combustion Holdings.

Greene and Co. has bought 5,000 Central Province Tea Holdings at 11½p on behalf of Bandanga Holdings.

Hoare Govett has bought 35,000 Bibby and Baron at 50p on behalf of *Low and Bonar.*

LUBOK

Lubok Investments, a subsidiary *of Lonrho, announces that* acceptances of its offer for 90,716 7 per cent. (now 4.55 per cent. plus tax credit) Preference shares of Elevators and Engineering had been received in respect of 88,386 shares, representing some 98 per cent. of the capital under offer. The offer has become uncondi*tional and will remain open until* further notice.

BANK BRIDGE SECS.

Bank Bridge Securities has disposed of its 58 per cent. interest in Blandburgh. Consideration is £73,000 in cash and £137,000 by way of loan repayments.

Sommerville incurs loss

A downturn from a profit of £199,016 to a pre-tax loss of £62,485 is reported by papermakers William Sommerville and Son for the year to March 31, 1976. Turnover for the period fell from £3.72m. to £2.98m.

The loss per 25p share is stated *at 6.43p (earnings 14.51p)* and the final dividend is 0.5p for a 1p (2.451p) total.

After a tax credit of £23,838 (charge £103,613) the loss was £38,647 (profit £95,403).

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price p	+ or –	Div. Amount	Times Covered	Gross Yield	P/E Ratio
–	F.P.	–	10½	8½	Automated Sec. 10p	10	....	b0.66	2.5	11.0	5.6
–	F.P.	–	£22¾	£21¾	Berry Pacific Fd. US$	£22⅞		41	–	0.9	–
–	F.P.	–	£51⅛	£41⅛	Ennerk SUS 1	£47⅛		[illegible]		3.4	
235	F.P.	...	236	214	Hambro Life Assur.	214	–6	415.75	–	9.6	–
–	F.P.	20/8	62	58	Leech (Wm.) Builders	58	....	25	2.1	5.5	5.6
US$2.05	F.P.	–	$2.05	$2	Renown Inc. Y50	$2.06	.....	Q15%	–	0.9	–
[illegible]	F.P.	–	105	105	Tulus S.A. 11	105	..	–	–	–	–
[illegible]	F.P.	9.7	45	41	Wilson Walton 10p	42		b1.18	[illegible]	11.4	6.4

FIXED INTEREST STOCKS

Issue Price	Amount Paid up	Latest Renunc. Date	1976 High	1976 Low	Stock	Closing Price	+ or –
£99	£50	26/8	50	47½	Birmingham (City of) 11% Red. Stock 1985	49	–½
US$100	F.P.	–	$99½	$99½	Bowater 9% Bonds 1986	$99½	..
£100	–	–	104	103	Debenhams 11% Con. Uns. 1995-2	101	–½
US$100	F.P.	–	$99¼	$98¼	IAC 9% Notes 1981	$86½	.....
US$100	Nil	–	$98¼	$99	Lloyds Eurofinance Guar. Fl'ting N'ts 1983	$99	.....
**98	£10	3.9	10½	10	Mid Kent Water 8% Red. Pf. 1981	10	...
US$99¾	F.P.	–	$99	$99	Nat. Coal Board 8¾% Guar. Notes 1981	$99	.....
US$100	Nil	–	$99½	$99	Nat. Westminster 9% Cap. Bonds. 1986	$99	.....
US$100	Nil	–	$101	$100	[illegible] 1986	$101	.....
C$100	Nil	–	99¼	99¼	Royal Tst. Mort. 9½% Red. 1981	99¼	...
£97.5	£50	12/11	50⅛	49¾	Sandwell Met. Borough 15% Red. Stock 1982	49¾	–½
**£25	F.P.	30/7	[illegible]	[illegible]	Sunderland and S. Shields Wtr. 7% Red. Pref. 1981	98	..

"RIGHTS" OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date		1976 High	1976 Low	Stock	Closing Price p	+ or –
115	F.P.	9/7	13/8	142	132	AAH	139	
20p	Nil	–	–	22	22	Airfix Inds.	22pm	..
70p	Nil	–	–	65	56	Allied Colloids	61pm	..
52	Nil	–	–	15	10	Braby Leslie	10pm	–2
38	F.P.	19/7	27/8	45	40½	Charterhouse Grp.	45	..
14	F.P.	16/6	30/7	17½	14½	Courts & Chemical	16½	–½
28	F.P.	9/7	5/8	33	22½	Downs Surgical	31½	...
15	Nil	–	–	5¼	2¾	Ewer (George)	3½pm	..
29	F.P.	21/7	18/8	37	36	Hargreaves Group	37	.....
25	Nil	–	–	1	½	Kwik Fit (Tyres & Ex.)	1pm	.....
21	F.P.	22/6	20/8	24	22½	Press (William)	23	+½
22½	F.P.	26/7	8/9	27¾	25¼	Readicut Int'l	27	+1
178	Nil	–	–	31	20	Rowntree Mackintosh	22pm	+2
24p	Nil	–	–	4	1½	Second City Prop.	1½pm	–½
58	F.P.	19/7	27/8	73½	61½	3D Group	73	+2
20	Nil	–	–	15½	8	Vernon Fashions	9pm	...
SA1.20	F.P.	18/6	–	140	65	Western Mining	133	–1
60	F.P.	9/7	20/8	102	83	W.G.I.	96	.....
76	Nil	–	–	19	16	Whitecroft Ind.	16pm	.....
70d	F.P.	–	–	81	47	[illegible]	53	.....

Renunciation date usually last day for dealing free of stamp duty. *a* Placing price to public. *b* Figures based on prospectus estimate. *d* Dividend rate paid or payable on part capital, cover based on dividend on full capital. *p*** Pence unless otherwise indicated. *n* Forecast dividend; cover based on previous year's earnings. *u* Figures based on prospectus or other official estimate for 1976. *t* Figures assumed. † Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividends. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ♥ 250 S.Afr. cents. ‡ Rights by way of capitalisation. ¶ Tender allotment price. ♦ Reintroduced. ☐ Issued in connection with reorganisation, merger or takeover. ♣ Introduction. ♠ Issued to former Preference holders. ◦ Allotment letters (or fully-paid). • Provisional or partly-paid allotment letters. $ With warrants. ✝ After suspension.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

J.S. Steel ;ees its fifth lrop in a row

f JAY PALMER NEW YORK, July 28.

STEEL, announcing lower s for the second three ns of the curent year and its fifth consecutive erly earnings drop, hinted gly that the remaining ns of 1976 could mark the ning of an upturn.

company, the largest steel r in the world, said that d quarter 1976 net profits allen 7 per cent. to $119.6m. $128.6m. Revenues over same three months had 16 per cent. to $2.4bn. from n.

s continuing decline left half net profits off 30 per at $217.3m. as compared $310.4m. in 1975. However, adjusting the 1975 net to le a one-off profit on the of timberland for $44.6m., ictual operating earnings e this half-year was only r cent. Revenue rose 3.7 ent. to $4.5bn.

earnings drop in the d quarter came despite Steel's announced 25 per in steel shipments during eriod to 5.4m. tons from 4.3m. tons. At the same the company noted that steelmaking facilities ted at an average of 87 ent. of capacity during the er compared with 60 per at the end of 1975 and 90 per cent. at the end 74.

U.S. Steel's trouble was that its higher volume production and shipments both came in consumer goods steel where profit margins are notoriously thin. With demand elsewhere weak, the less favourable product mix left the company vulnerable to the effects of continued cost increases which have not yet been offset by price rises.

While the company refused to indicate the degree of expected recovery, it did note that it expected demand for capital goods steel to pick up over the remainder of the year and thus for its product mix to show a dramatic improvement. Edgar Speer, U.S. Steel's chairman, noted that 1976 capital expenditures by industry are expected to rise to record levels and that consequently industry steel shipments should jump to 97m. tons this year compared with 80m. tons in 1975.

● Bethlehem Steel, Reuter adds from New York, has reported second quarter earnings per share of $1.25, up from $1.14 previously. Net income was $54.4m. ($49.7m.) from sales 12 per cent. higher at $1.45bn.

Shipments were 3.6m. tons against 3.0m. and production 5.1m. tons compared with 4.7m.

First half figures were: $1.90 ($2.98); $82.8m. ($130.m.); $2.74bn. ($2.65 bn.); 6.8m. tons (6.3m.); and 9.6m. tons (10.0m.) respectively.

Record first half or Warner-Lambert

MORRIS PLAINS, N.J., July 28.

NER-LAMBERT announces sales and earnings for the six months of 1976 were at d levels despite the impact eign currency adjustments ond quarter earnings.

es for the second quarter ased 10 per cent. to 5m. Net earnings were m., an increase of 2 per over the $46.91m. earned e second quarter of 1975. per share basis, net earnwere 60 cents, equal to the ted 1975 figure which has increased by 8 cents per to comply with the prons of the new accounting FASB No. 8.

cluding the effects of foreign ency balance sheet adjusts, earnings per share showed per cent. gain in the second ter of 1976.

r the first six months, sales $1.131bn., an increase of 8 cent. over the comparable period. First half net earnwere $91.26m., an increase per cent. over the $86.62m. d in the comparable period ear.

nings per share for the six hs were ahead 5 per cent. to $1.15 compared with $1.10 in 1975, which also has been restated upward. Excluding the effects of foreign currency adjustment, first half earnings per share were up 13 per cent.

Mr. E. Burke Giblin, chairman of the Board and chief executive officer, said that pre-tax profit margins continued to improve in the second quarter, and that management was confident that earnings for the full year would continue to follow the company's traditional growth pattern.

"In the second quarter," Mr. Giblin said, "sales increased in all major domestic and international segments of the business. Sales of consumer products, including such new entries as freshen-up gum and Listermint mouthwash, were particularly noteworthy."

Mr. Giblin added that pharmaceutical operations demonstrated strength across the board and that sales of medical and surgical products reflected a significant increase as well.

Outside the U.S., second-quarter sales were stronger as the world economy continued to improve, Mr. Giblin said.

BASF withdraws

LUDWIGSHAFEN, July 28.

said that it is holding with German and foreign anies aimed at the withl from the direct music ss such as record and led cassette production.

tarted in this sector in 1971 last year turnover was DM30m. compared with wide BASF group turnover 120bn.

company spokesman said talks should be concluded three months. He declined to give a reason for the move but industry sources said that BASF, which had not built up its own music sector sales organisation, was probably not making profits on its music business.

The spokesman said that BASF will continue to produce computer and magnetic tapes and it may retain a partial interest in the music sector, depending on the outcome of the talks.

Reuter

German retail trade's growth target in doubt

FRANKFURT, July 28.

IAN RETAIL trade is unto achieve its target of cent. real sales growth this despite some stimulus in second half from higher and pensions, Kaufhof AG member Herr Heimut a said.

r Thoma president of the iation of medium and largeretail companies, said firsthalf real turnover growth fell to 1 per cent. from an average of 3 per cent. during the last four months of last year. (Overall 1975 growth was 1.5 per cent.).

Prices are unlikely to fall since retailers paid an average 3-4 per cent. more in the first six months for goods going on sale in the second half, Herr Thoma said.

Reuter

Another record for MAIBL

NANCIAL TIMES REPORTER

EASED earnings and st ever profits, for the year l March 31, 1976, are ted by MAIBL—Midland nternational Banks Limited oldest of the consortium s.

s, says former chairman Sir ibald Forbes, was despite uing pressures and distorin the international mic environment.

fits, after tax and transfers nner reserves, rose to 5,000 from £2,026,000 in the ous year. Assets reached n. (against £654m.) of which £436m. (against £341m.) was deployed in the term lending field across 44 countries. In recognition of the continued expansion of MAIBL the four shareholding banks have added to their capital monies in the business by subscribing for a further £2.5m. of subordinated loan stock.

Sir Archibald who was succeeded as chairman in July by Lord Armstrong of Sanderstead, says in his statement that the bank's considerable growth should be seen in proper perspective.

S. Africa paper group recovers

BY RICHARD ROLFE JOHANNESBURG, July 28.

SOUTH AFRICAN Associated Newspapers (SAAN), the largest morning paper group in South Africa and target of a takeover offer last October from fertiliser producer Mr. Louis Luyt, has published profits for the six months ended June 30. These show a recovery from the losses made in the previous comparable period, just before Mr. Luyt sprang his bid. Trading profit is up from R5,000 to R960,000 (£621,000) and at the net level, the loss of R208,000 for the six months to June 30, 1975 has been turned round into a profit of R478,000.

Earnings per share are 24.7c for the six months and the interim dividend, passed last time, is 8c. In 1975, SAAN paid a total of 12c and the chances are now favourable that this will be improved to about 30c in the current year. On this basis the shares, now 200c, would yield a prospective 15 per cent.

The Board forecasts that in the second half, net profit after tax will exceed the result for the comparable period of 1975, when there was a sharp recovery to R1.3m. net after the first-half loss. Earnings for the year could therefore reach around 90c, and a 30c total payout would be three times covered.

The Board ascribes the increased revenue principally to higher advertising rates, and to a lesser extent to a 5c cover price increase for the best-selling Sunday Times. Newsprint, salaries, materials and distribution costs continued to rise, but substantial savings were affected by closure of the loss-making Sunday Times magazine.

After the Luyt bid a deal was eventually arranged by which 20 per cent. of the SAAN shares were sold by the Bailey Trust and related interests, which had been weak holders for some time, to a trust assembled by other local business interests, known as Advowson Trust. Chaired by Mr. Israel Maisels, QC, the trust is self-perpetuating and with the Argus Group, publishers of the Star evening paper, holding 33 per cent. of SAAN, control has now been sewn up.

Mr. Luyt, meanwhile, has gone ahead with his plan to develop an English-language daily newspaper which will be the first rival for SAAN's Rand Daily Mail in Johannesburg almost within living memory. A sum of R12m. has been allocated to finance its operations, ostensibly by Mr. Luyt himself and the first issue of the new paper, to be known as The Citizen, is due to come off the presses in mid-September, with an initial print order of 200,000 copies.

This compares with the RDM's present circulation of around 130,000. Advertising rates for The Citizen have been pitched at 260c per column centimetre compared with 420c for the RDM and The Star and the order book stands at R1.5m. for the period through to August, 1977, according to Mr. M. Spring, the editor-designate.

The Citizen hopes to settle down at 100,000 circulation after launching. Not everyone believes it will do so well. The Afrikaner daily newspapers sell about 50,000 copies. The Citizen hopes to reach out to people both in the black and white communities who are not newspaper readers at all at the moment.

Its underlying hope is that the Rand Daily Mail is providing a formula, especially in its political coverage, which a large number of people find unsympathetic. The SAAN Board, judging by its prediction of higher profits during The Citizen launch period, presumably disagrees.

Industrialist family regains Schwechater brewery control

BY PAUL LENDVAI VIENNA, July 28.

CONTROL over one of Austria's largest breweries, Schwechater, has been regained by the industrialist family Mautner-Markhof, which held a majority interest before World War II. The takeover was made possible with the financial support of the Girozentrale, the central institute of the Austrian Savings Banks.

As a result of continued buying of company shares, the price of the Schwechater shares jumped between September, 1975 and April, 1976 from Sch.480 to Sch.630. It dropped again to the old level after the transaction was completed and it was quoted yesterday on the Vienna Bourse at Sch.478.

The Mautner-Markhof family holding and Girozentrale currently control a holding company, called "Sankt Marx," which in turn has a majority interest in the brewery. The holding company has a paid up capital of Sch.170m. with Girozentrale having what its director-general, Dr. Karl Pale, describes as a "substantial" but not a majority interest.

The No. 1 Austrian commercial bank, Creditanstalt, has a minority interest in Schwechater as it does also in two other Austrian breweries.

The company paid a dividend of 10 per cent. for 1975 and reported a net profit of Sch.15m. (about £0.5m.). Its output last year reached 1.2m. hectolitres. Schwechater has a production staff of 1,300 and also controls several soft drinks subsidiaries.

Union announces cut in dividend

By Our Own Correspondent

VIENNA, July 28.

UNION, the Austrian building company, announces a cut in its 1975 dividend to 6 per cent. as against 8 per cent. for 1974 and in the two preceding years. The Board reports that turnover was down from Sch.630m. (about £20m.) in 1974 to Sch.615m. last year. The fall in real terms, however, was considerably steeper than the nominal 3 per cent.

As a result of a selective business policy aimed at accepting contracts only without excessive price concessions, incoming orders in 1975 were 15 per cent. down on the level recorded in the preceding year. The slackening of demand was particularly pronounced during the first half of 1975. Despite an upward trend towards the end of the year, the order book on December 31, 1975 was still down on the level a year earlier.

In view of the economic difficulties, investments last year were reduced by 33 per cent. to Sch.24.7m. As a consequence of falling turnover and of rationalisation measures, production staff in 1975 was cut by over 20 per cent. to 1,080. By the beginning of this year the number dropped further by 930.

Amatil takes cautious line after first-half recovery

BY JAMES FORTH SYDNEY, July 28.

ALLIED MANUFACTURING and Trading Industries (Amatil), the tobacco, food and packaging group in which British-American Tobacco Co. has a large interest, boosted earnings by 84.5 per cent. from $A3.6m. to $A6.6m. in the April half year. But the directors warn that this does not necessarily indicate the performance expected for the full year. They point out that the profit for the first half of 1974-75 was abnormally depressed because of delays in approval of cigarette price increases. In the second half of the current year, profits will be influenced to an important extent by the total consumption of cigarettes. There has been a sharp decline in the total market since the "very severe" excise increases in the 1975-76 federal budget and later state taxes "which have prolonged and further aggravated this situation of depressed sales.

Moreover, Amatil adopted tax effect accounting during the latest period. If it had accounted on its previous method the profit for the April half would have only been $A5.2m.

The directors mentioned several factors which, they said had materially affected profits. There was severe competition in the printing and packaging operations, which prevented any substantial recovery of cost increases and reduced profit margins, a major cutback in production of frozen vegetables to reduce excessive stocks, which resulted in an operating loss, and depressed cattle prices which required a further heavy write down of livestock values.

The interim dividend is held at 7 cents a share.

Bank of Tokyo sees growth in Holland

BY MICHAEL VAN OS AMSTERDAM, July 28.

BANK OF TOKYO (Holland), which claims to be the largest Japanese bank in Holland where it has now been established five years, has secured a loan from its parent company in Japan which will enable it to meet the anticipated further growth of lending business.

Mr. H. Wada, a director of the bank's Amsterdam head office—there is also an office in Rotterdam to service the Japanese trading companies located there—said to-day that the transaction involved the grant of a ten-year $10m. subordinated loan. Such loans are regarded as part of the equity base under Dutch central bank regulations and this would bring the bank's total capital resources to around Fls.100m. He added that the balance-sheet total of Bank of Tokyo (Holland) currently amounted to some Fls.1.1bn.

ConEd slightly better

CONSOLIDATED EDISON Co. of New York second quarter earnings per share were 71 cents (69 cents). Net income was $43.6m. ($42.6m.) from revenues of $674.7m. ($638.8m.). Six months figures were $1.87 ($1.73); $115.2m. ($106.7m.) and $1.41bn. ($1.32bn.); and for 12 months: $3.50 ($3.00); $215.6m. ($184.4m.); and $2.76bn. ($2.62bn.) respectively.

The 12 months figures include an extraordinary charge of 38 cents (31 cents) from the sale of generating units, Reuter reports.

Vichy may diversify into cosmetics

Cie Fermiere de Vichy, which markets mineral water and is a member of the Source Perrier group, is considering the possibility of diversifying its activities into cosmetics by collaborating with an American group, AP reports from Paris.

The company declined to reveal the name of the U.S. group.

Before the link-up can go ahead, however, Vichy will have to work out certain marketing problems with Laboratoires d'Application Dermatologiques, a member of the L'Oreal group, which at present markets beauty products under the Vichy trade mark.

Swire group talks

MACONDRAY and Co. Inc., a 99 per cent. U.S.-owned trading company in the Philippines, has been negotiating to sell part of its holdings to the Swire group, but no conclusion has been reached.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

STRAIGHTS	Bid	Offer	CONVERTIBLES	Bid	Offer
Alcan 9½pc 1988	102½	103½	American Express 4¼pc '87	80½	82½
Aquitaine 10pc 1985	104½	105½	Ashland 5pc 1988	81	83
Bowater 9¾pc 1986	99½	100½	Beatrice Foods 4½pc 1992	96½	98½
Caisse Nationale Autoroute 9pc 1990	99½	100	Beatrice Foods 4½pc 1992	113½	115½
C.N.E. 9½pc 1985	100¾	101½	Borden 5pc 1992	97	99
E.C.S. 8¾pc 1986	101	101½	Broadway Hale 4½pc 1987	75½	77½
E.I.B. 9¾pc 1985	102½	103½	Canon Camera 7½pc 1989	135	137
Erap 9¾pc 1985	102½	103½	Carnation 4pc 1987	81	83
Esso 8pc 1986 Nov.	100½	101½	Chevron 5pc 1988	116	118
Eurofima 8¾pc 1983	100	100¾	Dart 4¾pc 1987	78½	80½
Granges 9½pc 1985	101½	102	Eastman Kodak 4½pc 1988	109	111
I.S.E. Canada 9½pc 1986	102¾	103½	Economic Labs. 4¾pc 1987	72	74
Massey Ferguson 9¾pc 1991	101½	102½	Fed. Dept. Stores 4¾pc '85	114	116
Michelin 9½pc 1986	100¾	101½	Firestone 5pc 1988	87	89
Modo 9½pc 1983	102½	103	Ford 6pc 1986	96½	98½
National Westminster 9pc 1986	99½	100	Ford 5pc 1988	87	89
Norpipe 9¾pc 1986	101	101½	General Electric 4¼pc 1987	83½	85½
Norsk Hydro 9½pc 1986	102½	103½	Gillette 4¾pc 1987	73	75
Oslo 9pc 1988	100½	101½	Gould 5pc 1987	101	103
Pacific Light 8pc 1988	94½	95½	Gulf and Western 5pc 1988	98½	100½
Prov. Quebec 9pc 1984	100½	101½	Harris 5pc 1992	91	93
Sandvik 9½pc 1986	100½	101½	Honeywell 6pc 1986	82	84
Scanraff 8½pc 1988	99½	100½	ITT 4½pc 1987	73	75
S.F.E. 9pc 1983	100½	101½	Komatsu 7½pc 1990	106	107½
Shell 8pc 1988	100	100½	J. Ray McDermott 4¾pc '87	142	144
Standard Oil (Ind.) 8½pc 1988	103½	104	Mitsubishi Elec. 7¼pc 1991	103½	105
Svenska Handels 9½pc 1986	101½	102½	Mitsui 7½pc 1990	103	104½
Volvo 9½pc 1985	102½	103½	J. P. Morgan 4¾pc 1987	113½	115½
NOTES			Nabisco 5½pc 1988	91	93
Bank of Tokyo 9¼pc 1981	100½	101	Owens Illinois 4½pc 1987	102	104
Barclays 9½pc 1982	102½	103	J. C. Penney 4½pc 1987	78½	80½
British Gas 9pc 1981	100½	101	Pioneer 6½pc 1990	302	304
Charbonnages-France 8½pc 1981	99½	100	Raymond 8½pc 1988	98	99
Denmark Mort. Bk 9pc '83	101½	102	Revlon 4½pc 1987	110½	112½
E.C.S. 5½pc 1981	101	101½	Reynolds Metals 5pc 1988	88	90
E.E.C. 8½pc 1982	[illegible]	[illegible]	Sperry Rand 4¼pc 1988	101	103
[illegible]	[illegible]	[illegible]	Squibb 4½pc 1987	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Texaco 4¾pc 1988	[illegible]	[illegible]
Montreal Urban 9½pc 1981	[illegible]	[illegible]	Toshiba 6½pc 1990	[illegible]	[illegible]
National Finanziera 9½pc 1981	[illegible]	[illegible]	Union Carbide 4½pc 1982	[illegible]	[illegible]
New Brunswick Pl. 9pc '83	[illegible]	[illegible]	Warner Lambert 4½pc 1987	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	Warner Lambert 4½pc 1988	[illegible]	[illegible]
			Xerox 5pc 1988	[illegible]	[illegible]

Source: White Weld Securities London. Source: Kidder, Peabody Securities.

Industrie Pirelli losses 'heavily reduced'

BY ANTHONY ROBINSON MILAN, July 28.

CONFIRMATION by company chairman Leopoldo Pirelli that the losses of Industrie Pirelli, the perennial loss-making Italian operating company of the Pirelli-Dunlop union has been "heavily reduced" over the first half of 1976 thanks to a 25 per cent. rise in turnover, helped to sweeten the bitter pill of a passed 1975 dividend at to-day's AGM of Pirelli's SPA, the Italian equivalent of Dunlop Holdings. Over the first half of 1975 Industrie Pirelli lost L11bn. while the L27.4bn. loss for the year as a whole was the principal reason why Pirelli SPA, the holding company, closed the financial year to end April 1976 in balance overall, in spite of good profits from foreign subsidiaries and associates.

The losses of Industrie Pirelli have been dealt with by revaluing fixed assets under the terms of the so-called Visentini Law of December 1975 but Pirelli SPA has also been obliged to subscribe on its own to a L30bn. capital increase to L79bn. for Industrie Pirelli. This has effectively reduced Dunlop Holdings' share in the company from 49 per cent. to 30 per cent. with the option, however, of bringing its share back up to the original 49 per cent. by 1985 if it so wishes.

Pirelli SPA has financed the capital increase for Industrie Pirelli by converting an earlier L15bn. loan into equity and has raised the remaining L15bn by selling off all its former holding in Pechiney, plus 1.5m. Fiat ordinary shares and 100,000 Siemens shares which produced a substantial capital gain.

Apart from the substantially improved financial position of Industrie Pirelli over the first half of 1976, however, shareholders were also informed today that all the other companies in which Pirelli SPA has a major interest closed the first half of 1976 showing higher profits than over the same year ago period. The best results have been obtained by those companies operating outside Europe controlled by Societe Internationale Pirelli, particularly in Brazil, followed by the Dunlop-controlled companies both outside and to a lesser extent within Europe.

Pirelli warned, however, that there was considerable uncertainty about prospects over the second half of the year, particularly in Italy where continuing high inflation and a restrictive credit policy places a major question mark over the duration of the economic and industrial upturn over the first half of 1976 which has proved highly beneficial to Industrie Pirelli.

One of the consequences of high inflation and high interest rates can be seen in the growing indebtedness and crippling level of the financial charges on Industrie Pirelli. Last year financial charges accounted for L41bn., completely overwhelming the L14bn. operating profit and so leading on to the L27.4bn. loss. Under these circumstances Pirelli is studying ways of "consolidating and lightening" its financial structure. Pirelli is beng deliberately vague about the details of such an operation but appears to be aiming at asking shareholders to subscribe to a capital increase when profitability, prospects and stock-market conditions permit.

MBB growth forecast

BY NICHOLAS COLCHESTER BONN, July 28.

MESSERSCHMITT - Boelkow - Blohm, the West German aerospace company, is aiming for a turnover of DM1.65bn. (£360m.) in 1976 after achieving DM1.52bn. in 1975. In the longer run the concern is aiming for a sales figure of DM3bn. by 1980, with its most obvious growth coming in the missiles sector.

MBB is, as so often in the aerospace business, heavily orientated towards Government contracts and Government research spending, recorded a profit in 1975 of DM10.1m. after tax. It will pay an unaltered dividend on its DM62.8m. share capital of 6 per cent.

1975 was a satisfactory year for MBB. Perhaps its best feature was the selection of the company's Roland anti-aircraft missile system for use by the U.S. armed forces, coupled with the German Government's decision to buy the BO105 helicopter for the German armed forces as an observation helicopter and anti-tank system.

ACCOUNTANCY APPOINTMENTS

Senior Management Accountant
for UK and the Continent

A major property development and investment company based in London with world-wide interests requires a management accountant for its European Division.

Regular visits to the Continent, and significant independent responsibility make the job attractive to people with ambition and innovative skills. The job requires an ability to interpret the company's activities in financial terms, working closely with senior London and Continental management. Experience of project control and accounting systems is important.

The successful man or woman will be a qualified accountant aged about 28 with commercial experience in an international company. The salary will be about £7,000. Location: West End of London.

Please write, in confidence, to I. B. Murdoch, Ref: 566.

McLintock & Whinney Murray
City Wall House
84 Chiswell Street
London EC1Y 4XT

EMA

FINANCIAL CONTROLLER

West London To £10,000 + bonus

Marketing high volume consumer goods, our client turns over £8 million, is very profitable and is growing rapidly. The company is part of a highly successful international group.

Supervising 43 staff in the accounting, finance and distribution functions the Financial Controller will operate and further improve the sophisticated management information systems. In addition to interpreting information for management and recommending appropriate action, the Controller will contribute to such policy decisions as pricing and investment.

The Controller will play an important part in virtually all general management decision making.

Aged 30-35 the applicants should be qualified accountants with experience in industry or commerce.

Telephone or write to Graham Webster ACA, MBA quoting reference I/1324.

EMA Management Personnel Limited
Burne House, 88/89 High Holborn
London WC1V 6LR
01-242 7773

EMA

FINANCIAL DIRECTOR

Near Portsmouth To £10,000 + Car

Our client designs and manufactures equipment for the leisure industry. Turning over £4 million, the company is profitable and is planning expansion into new fields.

Reporting to the Managing Director, the Financial Director will be responsible for all financial and accounting matters. Initially spending considerable time improving the currently sound but unsophisticated management information systems, the Director will organise the department of about 8 staff as appropriate.

The Director will play a major role in the management of the company, and it is hoped that applicants will be capable of taking general management responsibility within 2 years.

Aged 30 to 40, candidates (male or female) should be qualified and have industrial experience, preferably in a manufacturing environment.

Please telephone or write to Graham Webster, A.C.A., M.B.A., quoting reference I/1241.

E.M.A. Management Personnel Ltd.
Burne House, 88/89 High Holborn,
London WC1V 6LR
01-242 7773

C&L

West Midlands **From £6,000**

HEAD OF TREASURY

Our client, the European Headquarters of a[n] American group, wishes to recruit a qualifie[d] accountant, male or female, mid 30's, to take ove[r] its treasury function.

The main criteria we will be looking for are:-

- experience in the control of cash and assets;
- experience in company secretarial work;
- the ability to recognise when internationa[l] expertise in legal tax and insurance matter[s] is required.

This is not a new position, but the appointe[d] person should be able to expand the present ro[le] to an involvement in the world wide corporat[e] strategy of the group. Salary is negotiable wit[h] substantial fringe benefits such as a car, li[fe] insurance, removal etc. with promotion a poss[i]bility for the right person.

Please write, giving brief but comprehensi[ve] details of your career and salary to date, [to] Executive Selection Division, MD'547.

Coopers & Lybrand Associates (Midlands) Limited,
Management Consultants,
Lynden House, 62 Hagley Road, Edgbaston,
Birmingham B16 8PX.

Financial Controller
Bedfordshire

Our client is an expanding German company whose consumer products have been very successful in the UK and are widely acclaimed by the trade and public alike.

The company seeks a Financial Controller to take over all financial functions (including management accounting, budgeting, costing, financial planning, etc.) apart from normal routine activities, through appropriate staff. Additional duties include advising management on financial policy and taxation.

Candidates, aged 30 to 40, should be suitably qualified professionally and thoroughly versed in the financial function, particularly taxation. A knowledge of German advantageous but not essential.

Starting salary up to £7,500. Location Bedfordshire; removals assistance. Please send brief details to S. W. J. Simpson ref. B.38210.

This appointment is open to men and women.

MSL *World wide*
Management Selection Limited
17 Stratton Street London W1X 6DB

Financial Controller
Home Counties

A major engineering subsidiary of a large international group with substantial profits and growth prospects in UK and overseas requires a *Financial Controller. As the financial member of* the management team reporting to the General Manager he or she will be expected to provide a *first class financial service and contribute to the* growth and profit performance of the business.

Candidates should be around 35 preferably with a degree, and must be qualified accountants (A.C.C.A., A.C.M.A., A.C.A.)

Their experience must include a period as a Controller in a major international organisation with well established reporting procedures. Experience of line financial management in *manufacturing operations and of export* procedures is essential. Success in this job w[ill] lead to possibilities in general management.

Salary is negotiable and not likely to be an obstacle for the right candidate. The benefit package includes a Company car and is norm[al] for a major group in other respects.

(Ref. D6509/F[T])

REPLIES will be forwarded direct, unopened and in confidence to the client unless address[ed] to our Security Manager listing companies to which they may not be sent. They should inclu[de] comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874
PA
A member of PA International

Finance Director

North West **From £15,000**

A large engineering group with an impressive growth record is looking for an exceptional top level executive to be responsible for the Group's finance function.

The Group's activities include the manufacture and marketing of specialised machinery, process plant contracting, and industrial services. Established a hundred *years ago, its expansion world wide in* recent years has been achieved by internal growth and by acquisition and *this will continue.*

The person appointed will already hold a senior finance position in a dynamic industrial environment. He or she will be a qualified accountant and, probably, a university graduate. He or she will be from 35 to 55 years old.

Candidates should be able to demonstrate *suitable experience of raising and con*trolling large funds, acquisitions and mergers, corporate planning and the *motivation and guidance of senior financial* staff.

Write in confidence, quoting reference 2615/L to: E. M. Nell,

Peat, Marwick, Mitchell & Co.,
Management Consultants,
11 Ironmonger Lane,
London. EC2V 8AX.

Reed Executive
The leading authority on the selection of financial management.

General Admin. Manager

Leeds **c. £6,500 + car**

This position provides a rare opportunity to join an organisation with an enviable record of expansion and profitability. Operating in a fast-moving and pressurised service industry, the company's need is for a *highly* numerate individual whose commitment to job and career are beyond question. Responsibilities are wide ranging and include data processing and certain financial aspects in addition to large volume document control. Candidates, ideally aged 33-40, should be graduates or possess a professional qualification and have previous experience of management services and staff control. Prospects are excellent.

Telephone 0532 459181 (24 hr. service) quoting Ref: 3194/FT. Reed Executive, 24-26 Lands Lane, Leeds LS1 6LB.

London · Birmingham · Manchester · Leeds · Paris

Finance Director

Contracting Industry **c. £10,000 + car**

The Company, a market leader in a specialised industrial sub-contracting service with a turnover of over £10m, is part of a major British Group. The present Finance Director is being promoted to a general management appointment.

The task for his successor is challenging. It involves responsibility to the Managing Director for the effective control of the financial and legal aspects of geographically separated profit centres, and also, as a member of the Board, for contributing to company policy and planning.

Applicants should be professionally qualified, preferably in their mid-thirties, with practical experience in, and an understanding of, the special characteristics of the contracting industry.

Location — London area. Salary negotiable around £10,000, company car, excellent fringe benefits, including relocation expenses if necessary. *(Ref: K7830/FT)*

REPLIES will be forwarded direct, unopened and in confidence to the client unless addresse[d] to our Security Manager listing companies to which they may not be sent. They should includ[e] comprehensive career details, not refer to previous correspondence with PA and quote the reference on the envelope.

PA Advertising
Hyde Park House, 60a Knightsbridge, London SW1X 7LE. Tel: 01-235 6060 Telex: 27874
PA
A member of PA International

C&L

Trusts and Estate Planning

A vacancy has arisen in our Personal Services Department for an ambitious man or woman interested in developing a career in the trust, personal tax and estate planning field.

The position will be of particular interest to those between 26 and 35 years of age who already have considerable experience in trust administration and related matters and who wish to develop their skills at a senior level in the field of personal financial planning. The successful candidate will probably have an accountancy or legal qualification but the absence of such a *qualification should not deter those who* possess a high level of expertise in these areas.

*The starting salary and promotion pros*pects are excellent for the person who is willing to accept the challenge this oppor*tunity offers.*

Write with full details to:

Peter Scott,
Coopers & Lybrand,
Abacus House,
Gutter Lane,
London EC2V 8AH.

Hoggett Bowers
Executive Search & Selection Consultants

Financial Controller

The Seychelles £7,000 +

Insurance, hire purchase and property development are just three *of our client's diverse interests in this tropical* paradise. Business is growing, taking full advantage of the expanding tourist industry and consequently, the financial and management control of their operations is vital.

Prime responsibility is for the day to day management of all business operations, therefore real commercial flair is required in addition to a strong accounting background. A three year contract is envisaged and the exceptional fringe benefits include a peformance bonus plus car and rent allowance.

R.D. Howgate, Ref: 27004/FT.

Male or female candidates should telephone in confidence for a Personal History Form to: MANCHESTER: 061-236 8981, Sun Life House, 3 Charlotte Street, M1 4HB. Offices also in *Birmingham, Glasgow, Leeds, London, Newcastle, Preston,* Sheffield and Australia.

Accounting Manager
c. £7000

An International Service Industry Company, based in South London is seeking an energetic Accountant, man or woman, to be responsible to the Controller of the Finance Division for the production of monthly *statutory accounts, data processing, management* controls, systems and programme support.

Candidates, preferably over 30, must hold a full UK professional accounting qualification and should have had experience in a large public accounting organisation plus 2/3 years' commercial or industrial background involving exposure to large volume transactions and very tight reporting deadlines. Maturity of judgement and leadership qualities are essential together with attention to detail and proven management ability.

Please write with full details of age, qualifications and experience to Position No. ASA 5547, Austin Knight Ltd, London W1A 1DS.

Applications are forwarded to the client concerned, therefore companies in which you are not interested should be listed in a covering letter to the Position Number Supervisor.

AK ADVERTISING

CHARTERED ACCOUNTANT

Trident Television Limited require an able and energetic Chartered Accountant, probably in his/her late twenties, to assume an active role in its diversification programme.

Initially the appointee will be concerned with the identification, evaluation and acquisition of suitable companies and businesses, but subsequently will be expected to be involved in general management.

A salary in the region of £6,500 is envisaged plus a company car.

Location: Mayfair.

Properly qualified and experienced candidates should apply to:

Mr. David Rocker
TRIDENT TELEVISION LIMITED
Trident House, Brooks Mews, London W1Y 2PN

A.C.A.–City Bank

An international bank in the City has a vacancy which will probably appeal to an accountant who has qualified fairly recently.

The man or woman appointed will be expected to take responsibility for management accounting/costing and assist as occasions arise on tax and allied matters requiring professional expertise. Experience of banking, perhaps obtained during audits, is desirable and a particular interest in taxation would also be advantageous.

Commencing salary will be appropriate to experience. Other benefits include low interest mortgage, non-contributory pension and incentive schemes.

Applications will be treated in strict confidence. Please write stating how the requirements are met to Mr. E. Cotter, Golley, Slater and Partners Limited, 125 High Holborn, London WC1V 6QA.

ACCOUNTANCY APPOINTMENTS
APPEAR EVERY THURSDAY
Rate £11 per Single Column Centimetre

;ENERAL APPOINTMENTS

ıOD/SUPERMARKETS

›nior Investment Analyst

ing London firm of Institutional Stockbrokers is seeking a research analyst to cover the food manufacturing and g sectors and complement existing research expertise. ınts should have spent at least two years in investment h or be qualified through training and experience in the t industries. The analyst will be expected regularly to ompanies and be given considerable freedom to develop ional business within the sectors.

lary and benefits will fully reflect the candidate's experi- ıd potential.

reply, in full confidence, to Box A.5648, Financial Times, ınon Street, EC4P 4BY, or telephone Christopher Ashton- f Leo Burnett Ltd. (01-836 2424) for further information.

Foreign Exchange experience–

could be worth up to £8,000 p.a.

Comshare Ltd. is one of the top companies in the U.K. computer timesharing industry.

We provide both computer time and applications expertise to many companies in commerce and industry.

To help clients take advantage of our sophisticated technology, we've gathered together a team of highly qualified and specialised computer people. Their experience has high-lighted the need in the banking area for a new management information and accounting system covering foreign exchange. And that's where you can help us.

We're looking for a man or woman with sound experience in this particular area—possibly gained with a bank. You will be responsible for initiating the launch and marketing of this new system in the U.K. and, possibly abroad.

Previous experience in our industry is an advantage but we'll give you our full support in your work together with complete back-up resources. This is a big project and it will need the 'professional' touch.

If you have it, you can expect a salary of up to £8,000 p.a.—negotiable according to age and experience—plus attractive working conditions and big company benefits. Career prospects are also first-class with this young expanding company.

Please telephone or write to:

Nicholas Birtles, Financial & City Group Manager,
COMSHARE LTD.,
32-34 Gt. Peter Street, London SW1P 2DB. 01-222 2652

COMSHARE
making the computer make sense

London Multinational Bank

Limited

The further expansion of our Foreign Exchange and Money Market activities has created an opportunity for a young Foreign Exchange Dealer to join our team in London.

Applicants, male or female, should have had at least 2 years dealing experience and be not over 30 years of age.

General Banking experience and at least one foreign language would be advantageous.

Applicants should write in complete confidence, giving full personal details to Mr. David E. Nye, Assistant Director & Secretary, London Multinational Bank Limited, 1 Union Court, Old Broad Street, London, EC2N 1EA.

Corporate Finance Marketing

Citicorp International Bank Ltd., the merchant king affiliate of Citibank NA, have a challenging eer opportunity for a multilingual MBA, who will ıme responsibility for marketing the bank's nputer-based International Command Financial nning System in Europe.

The job will involve you in communicating at a ior financial executive level, co-ordinating with bank's Account Officers and helping to point the ection of future product developments. You therefore need to have graduated from business ool in finance or have had equivalent experience. ı should also have had experience in marketing to ıncial or industrial concerns. Fluency in German l English is essential, the ability to speak French an st; as 30-40% of the time is spent on the Continent bility is necessary. Computer knowledge would ın advantage, but is not essential.

Salary is negotiable, and an excellent range of efits includes low-cost mortgage, personal loan n and non-contributory pension.

Please write with full career details to:
Mr. E.B. Powell, Executive Director,
Citicorp International Bank Limited,
335 Strand, London WC2.

Investment Analyst

Tobacco & Brewery Sectors

A leading firm of stockbrokers are seeking an analyst to head the firm's research effort in the brewery and tobacco sectors.

This is a senior position calling for an individual holding a degree or equivalent qualification. An essential requirement is relevant experience in stockbroking or an institution.

The salary offered, together with fringe benefits, has been pitched at a level attractive to senior analysts in these fields. Please reply to: Ivo Stocker (Quoting reference 76/18, and listing companies to whom you do not wish your name to be sent) Charles Barker Management Selection International Ltd., 30 Farringdon Street, London EC4A 4EA.

Charles Barker
Management Selection International

Deputy Chief Actuary

for a substantial and well established life assurance company situated in a pleasant out of London location. This new appointment is designed to strengthen the top management team and a successful candidate with general management potential can anticipate further promotion within about 5 years.

Salary is negotiable above five figures and fringe benefits include a company car.

Candidates aged under 50 should reply – in complete confidence – to D. R. U. Bennell ref B.43470.

This appointment is open to men and women.

MSL World wide
Management Selection Limited
17 Stratton Street London W1X 6DB

BANKING—W. AFRICA

to £13,600+Car, Accommodation, etc.

Our client is a clearing bank recently established with significant backing in West Africa. We have been retained to recruit a number of senior, experienced bankers who will play a leading role in the future development of the bank as an important financial institution in the area. There are four vacancies:—

CHIEF INSPECTOR
This position should lead to General Managership within 12 months.

REGIONAL MANAGER
Overall control of all branches within the region.

ADVANCES MANAGER
Responsible for assessing loan and credit proposals, reporting to the board.

STAFF DEVELOPMENT MANAGER
To train local branch managers and supervise recruitment and training of staff. Applicants must be experienced bankers, qualified AIB, aged 30-45. The positions offer a combination of high living standards, excellent capital savings, generous family leave benefits, accommodation and car. Contact E. S. Moore.

Reginald Welsh & Partners Limited.
Accountancy & Executive Recruitment Consultants
123/4 Newgate Street London EC1A 7AA
Telephone 01-600 8387 (3 lines)

Direc

ASSISTANT VICE PRESIDENT

International Banking

London Branch of a major U.S. multi-national ımercial bank requires an experienced corporate ding officer having industry and client contact arge European companies, with an emphasis on thern Europe. In addition to the lending ction, which necessitates travelling throughout ope, the position requires credit review ıonsibilities as deputy to the divisional head.

able candidates will have a minimum 4-5 years ti-national banking experience, a sound erstanding of corporate lending and should be nt in German.

ıuneration will be commensurate with this ortant appointment and will include fringe efits normally associated with banking ınisations.

ıse reply in strictest confidence to the consultant sing the bank:

L. Masnik, Esq.,
dard Kay Rogers & Associates Limited,
Division,
ork Street,
don W1X 1HB.

GKR

INTERNATIONAL REINSURANCE VICE PRESIDENT

(Underwriting)

Applications are invited for a Vice President to underwrite in Bermuda for a newly organised International Reinsurance Company backed by a major international group of the highest reputation. The successful applicant, who will live in Bermuda, will have a proven record in international reinsurance, preferably on the underwriting side, and it is important that he should already have good working relationships in both the London and United States markets. A broad knowledge of marine, property and casualty reinsurance is necessary, together with the capacity to assume senior management responsibility immediately. This is a challenging post offering considerable opportunity for advancement to the right person.

Write Box A.5647, Financial Times,
10, Cannon Street, EC4P 4BY.

MANAGEMENT OPPORTUNITY

Dynamic and determined manager required to revitalise plant hire company which has a good growth record but has now become stagnant. Present team still keen but stale and requires infusion of ideas and energy. For further information, please write Box A.5651, Financial Times, 10, Cannon Street, EC4P 4BY.

COMMODITY back-up staff wanted. Charterhouse Appointments. 01-836 2377

Boardroom Executive

c £8,000+Car

To handle all aspects of one of our International Client's overseas marketing operation, with additional responsibility for several other board level activities.

If you have a first class record in FMCG export marketing, fluency in European languages and are aged between 35 and 40 please telephone Trevor B. Lee, Managing Director on his private line 01-204 0862 for a confidential discussion.

Executive Projects.

Head of Loans

Prominent and Expanding Consortium Bank

This represents an outstanding opportunity to make a significant contribution to the growth of a very soundly-based consortium operation in the City.

To qualify, candidates should be in their late 30's or early 40's with a sound knowledge of the euro-currency markets and a proven ability to lead and motivate a team of people. Additional personal assets may include a degree or relevant professional qualification, together with fluency in Spanish or Portuguese which is regarded as essential.

Career prospects will combine with a highly competitive salary in the five figure range to present a most attractive opportunity to the successful applicant.

Write in complete confidence to Norman Philpot as adviser to the bank.

Lloyd Management
Bronsdon House, 50 51 High Holborn, London WC1V 6ER. Tel: 01-405 3499

›MMODITY TRADER

JROPE AND IDINAVIA — **LONDON BASED £5,000**

an absolutely first-class young person 25-30, for an appointh an international company offering excellent career in an extremely pleasant environment. He/she will work ndon but will travel overseas some 25% of the time, ng physical sales of finished jute goods.

ous experience in this field is necessary, as thorough train- be given. It is ESSENTIAL that applicants speak fluent nd English, adequate German, and have a cosmopolitan a good head for figures and initiative with justified con-

letter or telephone (01-828 7900 24hr. service) for applim quoting ref. "MJ."

SALES SELECTION LTD.
35-37 Grosvenor Gardens, London, S.W.1.

Bank of America is seeking young British men and women with an MBA degree or BA degree plus business experience to train for an interesting and challenging career with the world's leading international bank. Prior experience in financially related fields is preferred. Ages 23 to 30 will be considered.

A comprehensive training programme is offered in London and initial post-training assignments will be in the United Kingdom. The opportunity for future international assignments depends on ability and performance. Salary and benefits are competitive.

Interested individuals should send curriculum vitae to:

T. A. McDevitt, Vice President,
Bank of America,
25 Cannon Street,
London EC4P 4HN

No telephone calls please.

BANK OF AMERICA

SENIOR MARKETING EXECUTIVE

We are a Public Company operating principally in the construction industry with a successful record of growth. Current turnover exceeds £30m. per annum.

To help ensure that further expansion is directed towards the most promising areas, we propose to appoint a Senior Marketing Executive.

In addition to researching and advising on new activities, promotion of existing ones would be involved.

We seek a person with extensive experience in a senior post and a proven record of results.

Applications in writing to:

The Chairman,
Galliford Brindley Limited,
Wolvey, Hinckley, Leicestershire.

GALLIFORD BRINDLEY LIMITED

Financial Analyst

£7-9,000

Stock Brokers require a senior Financial Analyst specialising in Banks/Insurance Stocks to join their Research department, applicants should have at least three years experience in this sector.

An attractive salary above £7,000 will be offered to the successful candidate together with inclusion in a profit sharing scheme at an early date.

Please send adequate particulars, mentioning any firms to whom these may not be sent, to Miss M. T. STONE, Personnel Services Division of —

Spicer and Pegler & Co.,
Management Consultants,
6 New Street, Bishopsgate,
London EC2M 4UH.

OUNTANCY APPOINTMENTS

RTERED ACCOUNTANTS FOR CANADA

currently have positions available for Chartered ants interested in a career with an international Chartered Accountants.

persons who are seeking immediate responsibility, we excellent opportunity for career growth.

Edmonton office has a well diversified audit, tax and consulting practice.

ary and other benefits will be commensurate with ice and ability.

Please forward a resume in strict confidence to:

B. J. Walker,
900 Canada Trust Bldg.,
Edmonton, Alberta, Canada
T5J 0P6

RNST & ERNST
artered Accountants

A.D.R./Securities Clerk

Required by American Bank

Aged 22-25 years

preferably with previous banking experience.
Salary negotiable. Usual fringe benefits.
Write with full details to Personnel Dept.
36-38 Cornhill London EC3.

GENERAL SALES MANAGER

To take full responsibility for the Car and Truck Sales Departments with a Vehicle Sales turnover of approximately one million pounds, but operating below potential.

The Company employs one hundred and fifty, with one of the most comprehensive and modern Car and Truck Service facilities in the United Kingdom, and is part of a substantial privately controlled group.

Responsibility would be to the Director/General Manager, and satisfactory performance could lead to an invitation to join the Board.

Salary to be negotiable, plus share of the profits, company car, many other benefits, and realistic re-location assistance.

Application form from the Director/General Manager, Brookside Garages (Wellingborough) Limited, Finedon Road, Wellingborough.

Above the worst after mixed news

BY OUR WALL STREET CORRESPONDENT

NEW YORK, July 28.

AN EASIER TREND prevailed on Wall Street to-day, but the close was well above the worst following a mixed bag of news items.

After falling another 6.96 to 977.17, the Dow Jones Industrial Average partially recovered to 981.33, for a net loss of 2.80. The NYSE All Common Index was 24 cents lower at $55.07, after shedding 41 cents to $54.90, while declines outpaced gains by a two-for-one majority. Trading volume expanded 420,000 shares to 16m.

As the Stock Market opened, the U.S. Commerce Department announced that its Index of Leading Economic Indicators rose at a 0.3 per cent. pace in June. It was the eighth consecutive month-to-month gain but the smallest since last November.

The market also showed effects of the statement by Dr. Arthur Burns, Federal Reserve Chairman that the Fed has lowered its target on two broad measures of the money supply, indicating a slight tightening in monetary policy.

Short term money rates were higher to-day.

In its decline, the Stock Market ignored a spreading bank prime rate cut to 7 per cent. from 7¼ per cent.

General Motors were off $¾ at $67¼, despite sharply higher third quarter earnings.

National Semiconductor tumbled $5½ to $35¾ on problems with its digital watch manufacturing operations which will have adverse impact on sales and earnings in its fiscal first quarter ending September 30.

Other Semiconductor shares also were lower. Texas Instruments lost $1¾ to $117¼, Hewlett-Packard $2½ to $105¾, and Fairgild Camera $1 to $47.

Pittston and Hughes Tool each shed $¾ to $42¼ and $46, respectively, following their lower earnings.

Mobil Oil eased $¼ to $58¾, despite improved earnings.

Chemicals were mixed while Steels were steady to fractionally lower.

American Investment rose $¼ to $3¼ — a block of 202,500 shares traded at $3.

Blue Bell advanced $1¼ to $38 on a two-for-one stock split and raised dividend of 40 (25) cents per share.

Cessna moved ahead $2¼ to $27¼ — its machinists ended a 50-day strike.

The American SE Market Value Index slipped 0.46 to 103.73, while declines led advances by 355-to-195.

Sambo's Restaurants lost $¼ to $13¾ and Houston Oil and Minerals were down $¾ to $33¼.

But Syntex gained $¼ to $20¾, while Valmac Industries added $¼ at $11¼ on its higher earnings.

WEDNESDAY'S ACTIVE STOCKS

	Stocks traded	Closing price	Change on day
Tandy	326,165	34¾	−¼
Exxon New	284,900	52¾	−¼
Nat. Semiconductor	472,100	35¾	−5¼
Walt Disney	245,700	56¾	−¼
Mgic Invest.	237,900	14¾	−¼
Eastman Kodak	223,100	93¾	−¼
Amer. Invest	205,100	3¼	+¼
Goodyear Tire	241,400	22¾	−¼
Texaco	179,600	27¼	−¼
Armst. Ck.	161,600	27¾	−¼

OTHER MARKETS

Canada lower

Canadian Stock Markets lost further ground in light volume yesterday.

Earnings news for a number of senior issues failed to produce any pickup as selling cut into Beverages, Industrials, Mines and Steels.

Inco lost $¼ to $32¼ xd while Alcan Aluminium gave up $¼ to $27¼ xd.

Steel Co. of Canada shed $¼ to $26¾ on lower first half year earnings.

PARIS—Generally higher owing to a steadier franc on Foreign Exchange Markets and expectations of a slowdown in retail price rises for June.

Most local shares rose, but Foods and Motors retreated.

Foreign issues were mostly lower, with only Golds higher following the rise in gold prices.

BRUSSELS—Mostly lower after slow trading.

In lower Steels, Cockerill were off Frs.14 to 810. Metals declined. Vieille Montagne were down DM45 to 4,205 and Hoboken DM20 to 3,900, but Union Miniere rose Frs.16 to 1,216.

Electricals and Utilities finished little changed. Chemicals tended lower. Tessenderloo were off Frs. 20 to 1,180 and Gavaert Frs.16 to 1,154. Oils firmed but Holdings were a little easier.

U.S. stocks were lower, while French and German issues were narrowly mixed.

GERMANY—Mixed trend.

Major Chemicals lost an average DM2, while Motors declined an average DM1.50. BMW were down DM7.50 to DM236.50 xd. Machine Makers were DM2 to DM3 higher, with gains ranging up to KHD's DM6 advance to DM166. Utilities were firm.

Banks were mixed, as were Steels. Minings were steady to higher while Metals were steady to lower.

Domestic Bonds remained basically firm in quiet trading, the Regulating Authorities bought a net DM2.5m. nominal of Public issues which eased by up to DM0.25. Foreign Mark Loans were well maintained.

AMSTERDAM—Mostly easier. Dutch Internationals were off, apart from Hoogovens which firmed Fls.0.20.

Most Industrials, trading stocks, Banks and Insurances gave ground while Shippings were mixed. K.L.M. rose Fls.2.2 to 124 ahead of to-day's annual meeting.

State loans improved, following the latest State Loan tender raising Fls.250m. The new Loan was quoted at Fls.100.10.

SWITZERLAND—Shares drifted lower with investors showing little buying interest.

Major Banks were barely steady, while Financials were irregular. Insurances pointed slightly higher, but most leading Industrials retreated.

State Bonds were irregularly lower.

Dollar stocks were weaker, Germans barely steady, while Dutch issues were slightly easier.

OSLO—Banks were steady, Insurances and Shippings quiet, while Industrials were steadier.

VIENNA—Quietly steady.

COPENHAGEN—Mixed in active dealings.

MILAN—Irregularly higher in slack trading.

Bonds also were irregularly higher.

HONG KONG—Mixed in slow trading.

Hong Kong Bank were down 20 cents to $HK18.70 and Jardine 20 cents to $HK20.30.

But Hutchison were up 5 cents to $H3.05, China Light 10 cents to $HK23.60 and Hong Kong Telephone 20 cents to $HK23.20.

TOKYO — Slightly lower in limited trading with investors awaiting new developments in the probe into the Lockheed case. Volume 150m. (140m.) shares.

Electricals and Motors lost ground on liquidation, while Oils, Communication Equipments and Industrial Plant shares also eased in the absence of encouraging factors.

Matsushita Electric dipped Y17 to 633, Sony Y60 to 2,790, Honda Motor Y11 to 708 and Toyota Motor Y14 to 826.

Shares related to Commodity Markets were generally higher, including Foods, Textiles, Chemicals, non Ferrous Metals and Shippings.

AUSTRALIA—Generally mixed in quiet trading.

BHP advanced 8 cents to $A8.36 and Hooker 3 cents to $A1.13.

But Bank of NSW were down 6 cents at $A5.78 and Pioneer Sugar lost 10 cents to $A5.30.

Among Mines, Renison rose 10 cents to $A6.70, as did Pancontinental to $A14.60. Peko-Wallsend moved up 16 cents to $A5.90, but Poseidon shed 5 cents to $A2.70. Thiess improved 8 cents to $A2.63.

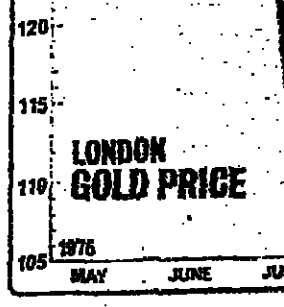
Sterling firmer

Sterling continued to improve in the foreign exchange market yesterday, despite the forecast from the Organisation for Economic Co-operation and Development that the Government's predictions of future growth by the U.K. economy may be too optimistic. Good commercial demand was reported and this may have reflected the regular sterling purchases ahead of payment to those oil-exporting countries who still accept part of their oil royalties in U.K. currency. The pound's trade-weighted average depreciation since the Washington Currency Agreement, as calculated by the Bank of England, narrowed to 38.9 per cent. from 38.8 per cent., after standing at 38.5 per cent. at noon and in early dealings.

Sterling opened at $1.7840-1.7850 in terms of the U.S. dollar, and eased to $1.7820-1.7830 during the morning. Buying interest in the afternoon, particularly from New York, pushed the pound up to $1.7910-1.7920, and sterling closed at $1.7900-1.7910, a gain of 83 points on the day.

The U.S. dollar remained depressed, following the disappointing trade figures for the U.S. in June, and may also have eased on the decline in U.S. interest rates after cuts in prime rates by U.S. banks. The dollar's trade-weighted average depreciation since the Washington Agreement, as calculated by Morgan Guaranty of New York, widened to 2.02 per cent. from 1.84 per cent. Most European currencies improved against the dollar, and the French franc was steadier than of late, at Fr.Frs.4.89¼, against Fr.Frs.4.90 previously.

Gold fell $¼ to close at $113¾-114¼. The krugerrand's premium over its gold content narrowed to 3.18 per cent. for domestic delivery and to 2.98 per cent. in the international market.



SPECIAL DRAWING RIGHTS RATES

One SDR is equal to	July 28	July 27
Sterling	0.641208	0.642524
U.S. dollar	1.14398	1.14306
Belgian franc	45.3788	45.4505
Deutschemark	2.94449	2.94415
French franc	5.59463	5.63352
Italian lira	956.024	955.304
Japanese yen	335.873	335.371
Dutch guilder	3.11220	3.12396
Swedish krona	5.12446	5.12566
Swiss franc	2.85846	2.86448

Values are for currencies against the SDR as calculated by the International Monetary Fund in Washington.

EXCHANGE CROSS-RATES

EURO-CURRENCY INTEREST RATES

FORWARD RATES

Indices

NEW YORK—DOW JONES

	July 28	July 27	July 26	July 23	July 22	July 21	1976 High	1976 Low	Since compilation High	Since compilation Low
Industrial	981.33	984.16	991.51	990.91	991.08	988.44	1,011.21 (12/7)	858.71 (2/1)	1051.70 (11/1/73)	41.22 (2/7/32)

N.Y.S.E. ALL COMMON

July 28	July 27	July 26	July 23	1976 High	1976 Low
55.07	55.31	55.62	55.65	56.54 (12/7/76)	37.06 (2/1/75)

Rises and Falls, July 28: Issues Traded—1,858; Up—458; Down—930; Same—470; New Highs 16; New Lows 24

OVERSEAS SHARE INFORMATION

Investment premium based on $2.60 per £1—102¼% (102¼%)

GERMANY ♦

July 28	Prices Dm.	+ or —	Div. %	Yld. %
A.E.G.	89.7	−0.8	—	—
Allianz Versich.	424.5	−0.5	18	2.1
B.M.W.	236.5xd	−7.5	18	3.8
B.A.S.F.	158.5	−1.5	14	4.4
Bayer	129	−2	17	6.2
Bayer Hypo.	276		20	3.7
Bayer Vereinsbk.	279	−0.5	20	3.0
Commerzbank	184	−2	18	5.0
Conti Gummi	90	−0.5	—	—
Daimler	339.5	−1.5	17	2.5
Degussa	250	−3	15	5.9
Demag	161		—	—
Deutsche Bank	289.5	−0.5	20	3.4
Dresdner Bank	211.5	−0.5	20	4.7
Dyckerhoff Zem't.	155	+3	6	1.9
Gutehoffnung	185	+1	14	3.7

MILAN

AUSTRALIA

JOHANNESBURG

NEW YORK

CANADA

PARIS

BRUSSELS/LUXEMBOURG

TOKYO

AMSTERDAM

SWITZERLAND

COPENHAGEN

STOCKHOLM

VIENNA

OSLO

SPAIN

FARMING AND RAW MATERIALS

Britain's Uganda move boosts coffee prices

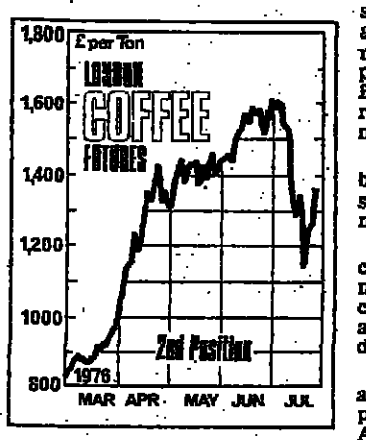
BY RICHARD MOONEY

NEWS THAT the U.K. had broken off diplomatic relations with Uganda boosted coffee futures prices yesterday. Before the announcement London terminal market values were generally about £10 up on the day but by the close the September position had climbed to £1,363 a tonne, £36.5 above Tuesday's close.

Some dealers felt the reaction had been overdone, however. It was pointed out that the move was unlikely to affect coffee trading directly and that in any case little coffee had been coming out of Uganda because of domestic difficulties. But some traders are obviously concerned that delayed shipments (mostly at prices well below current levels) *may not arrive at all* as a result of the new situation. Others argue, however, that this eventuality would be strongly resisted by the Ugandan coffee trade in trying to protect its international reputation.

Nevertheless the move appears to have attracted back many of the speculators (particularly in New York) who were driven out of the market during the recent sell-off.

The warmer weather in Brazil, which led to the sell-off early this month, has since continued, but without hindering the subsequent recovery in prices. The £1,600 a tonne peak reached at the end of June was partly based



on fears of frost hitting the Brazilian crop, as it did a year earlier. But although the traditional frost season still has some weeks to run the warmer weather trend in the main coffee growing regions has allowed these fears to move into the background.

Tuesday's overnight minimum temperature in North Parana was 13 degrees centigrade, according to the Federal Weather office.

The U.K. Government's decision on Uganda also brought additional firmness to the cocoa market where the September position closed £33 higher at £1,189.5 a tonne. Most of this rise was due, however, to overnight firmness in New York.

Uganda is not a cocoa producer but the market is naturally sensitive to any political developments in Africa.

In London, meanwhile, cocoa consuming nations at the International Cocoa Organisation's 7th council meeting are likely to agree to the ICO secretariat conducting a review of world prices.

However, they have not accepted any upward revision of prices set out in the 1975 Cocoa Agreement, delegate sources told Reuters.

Producers are uncertain if this will persuade the Ivory Coast to sign the pact before October 1, the effective date. The Ivory Coast has baulked at signing the Agreement because it considers the 39-55 cent a pound price range as being too low.

Strong demand for wool likely

THE INTERNATIONAL Wool Secretariat (IWS) looks forward to a strong demand for wool for 1976-77 and probably well into 1977-78, Mr. Gerald Laxer, managing director, told the National Wool Growers Association Congress in Bloemfontein, the IWS reports.

Mr. Laxer said the short term demand outlook must be considered favourable but added that the latest IWS survey of textile business opinion suggests the majority of the trade though still optimistic about prospects is less so than it was three months ago.

This is due to slower economic recovery than was generally anticipated and to the fact that most gains in wool consumption were the result of purchases made when wool prices were lower than in recent months.

He said another factor in wool's favour is that synthetic fibre manufacturers are claiming that their prices are inadequate. However any realistic appraisal must acknowledge that chemical companies will probably find it very difficult to establish prices at a higher level in the next few years.

Meanwhile in Canberra, the Australian Woolgrowers and Graziers Council said it does not envisage the IWS being able to accumulate enough reserves over the next six years for effective wool promotion without Government support.

It told the Industries Assistance Commission (which is hearing evidence on its draft report on financing the promotion of rural products) that it disagrees that a reserve of growers' funds should be built up to provide for promotion after July 1, 1983, when the present Government subsidy should cease.

The Commonwealth Government at present provides about $A8.8m. a year for the promotion of wool.

And in Sydney the National Council of wool selling brokers said the flexible reserve price policy announced by the Australian Wool Corporation has met a mixed reception from the world wool trade.

While some users welcome the AWC's assurances that it will not seek to push prices up, many large users from Western Europe and Japan are sceptical about the capacity of a flexible reserve mechanism to achieve a significant degree of market stability. Mr. Alf Maiden, AWC chairman announced the policy early this week.

Mr. Maiden said sensible reserves could be applied above the new floor priced levels and their sole purpose will be to protect the growers of sale lots which might be neglected on the day. He said they will be adjusted frequently in accordance with market movements and will not be applied in a way that will force prices or defy a market trend.

However, large users pointed out that Mr. Maiden had not ruled out broader, manipulative-type uses of flexible reserves. They added that while Mr. Maiden said the AWC would hold in reserve prices and buy in wool when unusual conditions seemed likely to cause a sudden, short-term disruption to demand and competition, the terms "unusual" and "short-term" had not been defined.

It is often extremely difficult to differentiate between short and long term movements in demand, the Brokers Council said. A mistake by the AWC could generate significant long term de-stabilising influences in the market.
Reuter

Farm output expanding, says Peart

By John Cherrington, Agriculture Correspondent

"THE GENERAL level of morale and confidence among farmers is much improved since our last meeting," Mr. Fred Peart, the Minister of Agriculture, said at the annual pre-harvest lunch of the Home Grown Cereals Authority yesterday. "Many of the barometers of production are set fair for increases in output. The pig breeding herd is now expanding. Broiler production is moving to higher levels.

"Milk yields too have improved significantly and production is running at a higher level than a year ago in spite of a reduction in cow numbers. But even here there are grounds for believing that the dairy herd will expand again from a more efficient base," he said.

The Minister was guarded in his estimate of the harvest saying that the North of England seemed to have fairly good prospects, but that in the south yields particularly of spring barley were disappointing. He thought, however, that there would be enough fodder for the next winter in spite of the fact that the drought was severely curtailing pasture.

Those attending the lunch, merchants, processors and farmers, were guarded about the harvest prospects and the probable course of trade. It was accepted that the winter wheat crop would be a large one because of a greatly increased acreage but the prospects for barley are very mixed and there were some statements of yields of almost disaster levels on some of the lighter soils.

It was generally agreed that the scorching weather of the first ten days of July plus the aphid attacks did far more harm to the growing crops than was realised at the time and the result is being seen in very thin samples of wheat in particular.

Sugar price decline

By Our Commodities Staff

WORLD SUGAR values continued to decline yesterday with the October futures position losing another £5.55 to £173.325 a ton, the lowest level since early March. In the morning the London daily raws price was fixed £4 lower at £166 a ton.

The change in the European weather situation seems to have worked through the market now but signs of increased availability, highlighted by Tuesday's Peruvian sale of 80,000 tonnes.

GUYANA BAUXITE

Currency mini-basket payment system

BY OUR GEORGETOWN CORRESPONDENT

THE GUYANA Bauxite Company (GUYBAU) is pleased with the initial performance of the "innovative and pioneering" composite currency unit (CCU) which is devised as the payment mechanism for its calcined refractory grade bauxite.

But the company acknowledges that the mini-basket of four internationally traded currencies was specifically designed to suit its own needs and may not be applicable to conditions elsewhere.

That, however, is not preventing GUYBAU from actively promoting the concept of a common denominating unit within the membership of the International Bauxite Association (IBA) for sales of calcined alumina and metal grade bauxite.

In this case, GUYBAU feels that special drawing rights (SDRs) may be a more suitable mechanism than its own CCU, and more readily acceptable to the numerous customers of IBA members. The idea has been formally put to IBA and individual members are to report back on their positions shortly.

Difficulty

GUYBAU last year finalised its CCU scheme and put it to its various customers. The company had no great difficulty, according to chairman, Mr. Pat Thompson, in winning over its European customers who were already familiar with such a concept in financial matters if not in trading.

American refractory bauxite customers, less familiar with schemes of the type envisaged, were at first somewhat reluctant to accept it, but they were persuaded to put it to the test.

After the first quarter's operation, *Mr. Thompson is convinced* that the CCU scheme has assured all GUYBAU customers that it is a fair and equitable mechanism.

The plan went into operation on January 1, 1976, which became the "opening date" for the purposes of the CCU. As implemented, the mini-basket comprises one U.S. dollar plus a dollar's worth of sterling, Deutschemarks, and Swiss Francs, on the basis of values ascribed during the first week in December, 1975.

The contract price is denominated in a fixed number of CCU's which will remain unchanged except for contractual escalation. A buyer who contracts to pay, say, CCU 25 per ton as of the opening date would pay U.S.$100 or £49.47 or DM261.51 per ton. The payments currency is specified in the contract.

At the time the scheme was devised, GUYBAU was not collecting in either the Yen or the Swiss Franc, so the plan does not provide for collecting in either currency. However, Mr. Thompson explained that the Swiss Franc was put into the basket as a stabilising factor and GUYBAU reserves the right to collect in that currency in future if circumstances make it desirable.

By shipment week starting May 3, the U.S. dollar was worth £0.5492 or DM2.5381 or SF2.5259. By then, a contracted price of CCU 25.00 per ton meant U.S.$99.68 or £54.74 or DM252.99 per ton.

Mr. Thompson feels that the scheme is inherently a stabilising one as far as GUYBAU's earnings from calcined bauxite are concerned and that it provides "an automatic and equitable adjustment of contract prices in so far as these are influenced by fluctuating international exchange rates."

In his statement in the 1975 GUYBAU Report, he commented: "By denominating an important segment of our sales in CCU's, while continuing to collect our actual receipts in three national currencies which by tradition have been internationally traded, we believe that we may have succeeded in fashioning a system suited to the needs of our industry and one which distributes equitably, over time, among all the buyers and the seller, the losses and gains accruing from exchange fluctuations.

"For any individual buyer, the net effect of the operation of the formula would depend on the relative performance in the *international money market* of his currency of payment vis-a-vis the others in our mini-basket.

"We believe that this scheme —innovative and pioneering in a trading context—is both fair as well as practicable."

Adjustments

The results of the operation of the CCU for the first quarter showed that positive adjustments to the company's sales receipts were made for three payments currencies in the first five weeks.

Only negative adjustments were made for the Deutschemark after that, while positive adjustments were made for Sterling throughout the period, and three negative adjustments made for the U.S. dollar.

In this context, a positive adjustment indicates a weakening of the specific currency vis-a-vis others in the mini-basket, while a negative adjustment represents a corresponding strengthening.

According to the published figures, the CCU values which on January 1 were US$4/£1.9788/DM10.4604/SF10.6696 (as compared with SDR3.4175), moved by the end of the first quarter to US$4.0013/£2.1895/DM10.1454/SF10.0134 (as compared with SDR3.4752).

Drought aid for Australian farmers

CANBERRA, July 28.

THE AUSTRALIAN Government will give special drought assistance in Western Australia and Victoria, Mr. Doug Anthony, deputy Prime Minister, said. The support will be under national disaster assistance arrangements.

Relief measures will include federal subsidies for road and rail freight of grain and fodder to drought areas and for the transport of stock from drought areas to places where grass is growing.

● The Dutch Ministry of Agriculture in The Hague also announced measures aimed at increasing animal feed stocks depleted by the European drought.

Farmers planting quick-growing grass varieties by mid-August will receive a guaranteed payment should the crop fail and subsidies will be paid to transport the grass over distances of over 30 kilometres.

Conversion of sugar beet harvesting machinery to allow collection of the beet heads to be used for animal feed will also be subsidised.
Reuter

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

physical buying from Japan. The overnight strength in the U.S. was also an encouraging factor. After opening at around £954, forward metal rose to £957 on the morning kerb and advanced further to £958.5 in the afternoon following the higher opening of Comex, before profit-taking, owing to the strength of sterling caused a modest reaction in late dealings, although the price still ended at £955.5 on the afternoon kerb.

TIN—Lost further ground in quiet trading. Prices tended to drift, reflecting the modest overnight decline in Penang and small Commission House selling coupled with hedge selling. Forward standard material closed at around the day's lowest levels of £4,068 on the afternoon kerb. Turnover 850 tonnes.

LEAD

ZINC

SILVER

ALUMINIUM

NICKEL

CONTRACTS AND TENDERS

FREIGHTS

booked from the U.S. Gulf to Spain, $219,000 f.i.o. for Aug. In sugar section business developed from Queensland to China, £12 free discharge for Sept. Time-charterers booked a vessel 73,300 long d.w.t. for three to five months' trading, $2.60 delivery Continent Aug.

COCOA

Prices recovered further, aided by

COFFEE

RUBBER

SOYABEAN MEAL

GRAINS

No. 2, Oct. £96.75 direct Tilbury. Sept. £100.35, Oct. £102.05, Nov. £103.55, Dec. £105.25, transhipment East Coast, tonnes. U.S. Hard Winter No. 2 August £89.30, Sept. £90.60, Oct. £93.45, Nov. £95.20 transhipment East Coast, tonnes. EEC feed: July £75 long ton, August £76.50 tonne East Coast and South Coast.

Maize—No. 3 Yellow American/French July £74 long ton, August £74 tonne transhipment East Coast.

SUGAR

WOOL FUTURES

MEAT/VEGETABLES

31.0 to 33.0: Ulster hindquarters 54.0 to 58.0, forequarters 30.0 to 33.0: Eire hindquarters 54.0 to 56.0, forequarters 30.0 to 32.0.

Veal: English fats 46.0 to 52.0: Scottish bobbies 20.0 to 24.0: Dutch hinds and ends 68.0 to 76.0.

Lamb: English small 40.0 to 44.0, medium 39.0 to 42.0, heavy 36.0 to 40.0: Scottish medium 39.0 to 41.0, heavy 36.0 to 40.0. Imported frozen: NZ PL 39.0

JUTE

PALM OIL

PRICE CHANGES

Prices per ton unless otherwise stated.

	July 28 1976	+ or —	Month ago
Metals			
Aluminium	£526.6	......	£456
Free Market (cif)	$850-870	......	$920-945

FINANCIAL TIMES

REUTER'S

DOW JONES

MOODY'S

U.S. Markets

Soyabeans and grains improve

NEW YORK, July 28.

Markets harden a little further in quiet trading

Share index up 2.7 at 375.4—Manbre and Garton bid terms

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
July 12	July 22	July 23	Aug. 3
July 26	Aug. 5	Aug. 6	Aug. 17
Aug. 9	Aug. 19	Aug. 20	Sep. 1

* "New time" dealings may take place from 9.30 a.m. two business days earlier.

A rather quiet but firm day in stock markets was enlivened by bid situations and company trading statements. Manbre and Garton were actively traded, closing unaltered at 172p, after 174p, on news of the terms of the offer from Tate and Lyle worth 170p cash. It was announced well after the official close that Manbre had as expected, rejected the offer. Of the more noteworthy movements, Anglo Continental moved up 9½ to 61½p and Argyle Securities 9 to 48p on the announcement of bid talks with Generale Occidentale.

Leading Industrials met with a little further demand but, as on the previous day, this was mainly of a professional nature. The FT 30-share index improved 2.7 more to close at 375.4, for a two-day rise of 4.7. British Funds also made modest progress, closing with widespread gains of ⅛ and occasionally more. The Government Securities index improved 0.18 to 62.03.

Changes were few and far between in second-line equities. Nevertheless, rises led falls by 6-4 in FT-quoted Industrials, while the FT-Actuaries All-Share index hardened 0.5 per cent. to 154.42. Official markings of 4,089 compared with 4,576 on Tuesday.

Gilts improve afresh

Helped to a certain extent by the improvement in sterling, Gilt-edged securities continued to rally after the recent sharp setback. Late news of a further ¼ per cent. reduction in a U.S. Prime Rate gave an additional fillip to the shorts where gains extended to ¼ and sometimes more. A useful demand was seen for Treasury 9 per cent., 1980, up ⅛ at 92⅞ ex dividend, while the short "tap" Treasury 9½ per cent., 1981, firmed 1/16 to 91¾. Mediums and longs were mostly ¼ firmer on small persistent demand.

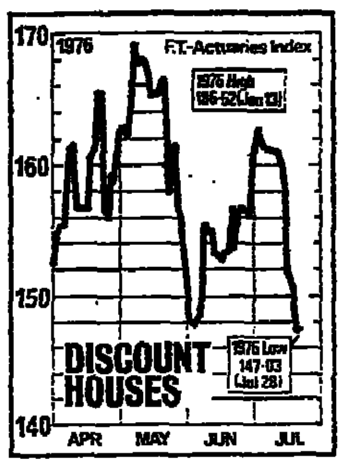
There was again little activity in the investment currency market, where the premium managed an initial improvement to 103½ per cent. before closing just ¼ better on balance at 102¾ per cent. Yesterday's SE conversion factor was 0.7162 (0.7239).

After Tuesday's poor debut, Hambro Life Assurance met fresh selling and retreated to 211p before closing a net 6 lower at 214p, leaving a discount of 21p on the offer-for-sale price of 235p. Dealings commenced yesterday in Tolux S.A., which opened and closed at 105p; the company was incorporated in Luxembourg to effect the take-over of Tokengate Investment through a Scheme of Arrangement.

Barclays' quietly firm

Shares of the big four Banks which suffered a sharp reaction on Tuesday on National Westminster's proposed £66m. "rights" issue, took a modest turn for the better yesterday. In moderate trading, National Westminster, at 220p, retrieved half of the previous day's decline of 10, while Midland recovered 2 to 265p and Lloyds picked up a penny to 208p. Barclays, which report interim results to-day, rallied 3 to 268p. Among overseas issues, further consideration of the interim statement helped Hongkong and Shanghai pick up 4 to 290p. The bearish interim statement brought about a fall of 3 to 172p in Gillett Bros. and sent other Discounts lower in sympathy. Gerrard and National also declined 3 to 125p and Union receded 5 to 295p. Merchant Banks tended higher in places; Slater Walker Securities were notable at 26p, up 3.

Insurances displayed no set trend after a small turnover. C. E. Heath hardened 2 to 412p and Minet Holdings rose 4 to 119p in



Brokers, where Matthews Wrightson gave up 5 to 170p. Guardian Royal Exchange hardened 2 to 180p in Composites, but General Accident were that much down at 150p.

Among quietly firm Breweries, Greene King hardened 3 to 165p and Allied improved 1½ to 68½p. Elsewhere, Glenlivet put on 5 to 190p following the increased first-half profit. Distillers were 1½ dearer at 131½p.

Taylor Woodrow continued firmly, improving 4 more to 258p following Press comment on the interim report. Y. J. Lovell, still reflecting trading news, edged up 2 more to 54p, while Magnet and Southerns improved 5 to 137p in front of to-day's preliminary results. John Laing "A" hardened 2 to 66p as did Tarmac to 140p.

Of the few casualties, Vibroplant eased 3 to 112p and Travis and Arnold declined 4 to 95p.

ICI were finally 2 better at 355p, after 356. Elsewhere in Chemicals, similar gains were seen in Farm Feed, 56p, and Laporte, 98p.

Piccadilly Theatre reacted 5 to 75p on the reduced dividend and lower profits.

Laurence Scott rise

Philips' Lamp made a dull showing on Amsterdam advices, recording a loss of 20 at a 1976 low of 835p, but other leading Electricals edged ahead in a small business. Reyrolle Parsons followed the previous day's improvement of 3 with a fresh gain of a 2 at 121p, while Plessey, 75p, EMI, 228p, and Thorn Electrical, also 238p, all closed similarly firmer. Elsewhere, Laurence Scott were noteworthy for a rise of 5 to 47p in reflection of the strong profits revival. A. F. Bulgin "A" put on a penny to 14p, but Crellon, still unsettled by the gloomy results, shed a penny more to 25p. Declines of 3 were registered in Sceco "A," 48p, and Cohen Bros., 31p, while Audio Fidelity slipped 2 to 31p.

Stores had contrasting features in Cope Sportswear, 6 better at 41p following the chairman's review of the company's prospects at the annual meeting, and Albion, 4 cheaper at 11p on the interim dividend omission and loss. Readicut International improved 1½ to 26½p on the successful "rights" results, while Vantona, 95p, and Lee Cooper, 125p, put on 4 and 5 respectively. Among the leaders, Marks and Spencer finished 2 up at 101p, but losses of a penny were sustained by Burton "A," 43p, and British Home Stores, 155p. Mail Orders were idle and featureless.

The Engineering majors continued to make modest headway, with GKN 2 better at 308p and Hawker and Tube Investments both similarly dearer at 426p and 320p respectively. Secondary issues were featured by Weyburn which attracted persistent speculative demand in a thin market and rose 22 to 366p. Bronx hardened 3 to 79p and William Cook (Sheffield) added 2 at 22p. Shipbuilding shares were quiet and Swan Hunter closed unaltered at 45p in front of to-day's preliminary results.

After reacting initially to 166p on the 170p per share cash offer from Tate and Lyle (2 off at 238p), Manbre and Garton recovered on hopes of a higher offer to close unchanged on the day at 172p, after 174p, following another reasonable business. Manbre and Garton's 7¼ per cent. Convertible Loan stock, 1993/8, were marked up 6 points to £120. The rejection of the bid by Manbre and Garton was widely expected. Associated Fisheries closed 1½ harder at 37p following news of its joint venture with Southern Ocean Fish Processors Property. Linfood, however, shaded 3 to 195p in front of to-day's preliminary figures. Adams Foods were also dull at 27p, down 2, following news that the company is to bid for Broadhursts. Supermarkets were notable for a reaction of 6 to 79p in William Morrison. Hotels and Caterers had Grand Metropolitan a penny better at 65½p following a Press mention.

LRC Intl. good

Miscellaneous Industrial leaders remained very quiet and tended to lose initial minor gains, although Beechams, after the annual meeting, managed to hold an improvement of 3 at 368p. Elsewhere, LRC International were a good market, rising 4 to 45p on consideration of the profits advance and bullish statement. De La Rue closed 5 higher at 251p, after 254p, benefiting from the first-quarter profits upsurge, while the profits expansion left Hollis Bros. and ESA 5 higher at 43p. Bridgend Investments improved 2 to 11½p on recovery hopes deriving from the chairman's encouraging statement with the full report. In ex rights form, Whitecroft touched 95p and closed at 91p, up a penny on balance, with the new nil-paid at 16p premium. A dull spot was provided by Brady Industries, 3 down at a low for the year of 61p on the profits contraction.

Interest in Motors and Distributors was small and selective. Dunlop moved up 3 to 87p, while Armstrong Equipment closed 1½ harder at 73½p and Dowty finished 2 better at 150p. Mann and Overton were noteworthy for a rise of 4 to 55p on the half-yearly report. British Car Auction were active and a fraction firmer at 55½p, after 54p.

Beaverbrook "A" featured Newspapers, rising 3½ to 27½p on small buying in a thin market. United contrasted with a fall of 4 to 256p. Thomson Organisation, at 292p, gave up 3 of the previous day's speculative rise of 9. Elsewhere, contrasting movements were provided by Associated Book Publishers, 3 up at 85p, and Kimpher, 2 cheaper at 18p.

Tricentrol advance

The Oil leaders experienced very quiet trading conditions. British Petroleum held steady at 585p, while Burmah Oil softened a penny to 42p. Royal Dutch were unaltered at £38¾, although Shell Transport hardened 2 to 424p; the Royal Dutch/Shell second-quarter figures are due August 12. Elsewhere, Tricentrol moved prominently higher to close 6 up at 66p, after 67p, on speculation regarding the company's stake in the North Sea Thistle Field. Ultramar managed a recovery of 4 to 129p, while Australian issues had Weeks Natural Resources 5 higher at 70p and Woodside-Burmah 2 harder at 90p.

Property leaders closed modestly firmer after another thin trade, with gains of 2 occurring in Land Securities, 161p, and MEPC, 74p. English Property, 52½p, and Town and City Properties, 12½p, hardened a penny apiece. Elsewhere, Argyle Securities, 48p, and Anglo-Continental Investment, 61½p, both scored advances of around 9 in response to news that Generale Occidentale are holding talks expected to lead to cash offers of 50p and 65p respectively for the two companies. Maidenhead Investments, a subsidiary of Argyle, improved 3½ to 23p on hopes of a similar move that the minority interest will be taken over. Fresh bid speculation was seen in Imry Property, which ended 13 higher at 193p in a thin market, but Peachey Property, after the recent advance on take-over hopes, closed 1½ easier at 52½p, after 51p, on profit-taking. The chairman's encouraging statement at the annual meeting left Estates and General a penny firmer at 12p.

Apart from Great Northern, which hardened a point to £70, Overseas Traders closed without alteration. Inchcape, 385p, marked time in front of to-day's preliminary figures.

After recent weakness, Rothschild rallied well in Trusts and Financials to close 9 higher at 232p. Foreign and Colonial hardened 3 to 114p, but Stockjobbers Akroyd and Smithers were that much lower at 177p.

Shippings continued in firm vein, with P & O Deferred 1½ better at 103½p and "Lofs" similarly dearer at 25½p. British and Commonwealth improved 2 to 210p after the chairman's remarks at the AGM, while small speculative buying helped Reardon Smith put on 3 to 205p and the "A" 2 to 66p.

Dunas Webb did well in Textiles, rising 3 to 20p on the better-than-expected preliminary results. Courtaulds hardened a penny more to 125p, as did Allied to 54p; the latter's interim results are due to-day. Further consideration of the results helped Stirling Knitting, at 14p, retrieve half of the previous day's fall of 2. By way of contrast, Parkland "A" shed 3 to 25p.

Bats Industries' Ordinary and Deferred both closed 2 dearer at 275p and 215p respectively in Tobaccos where Imps edged forward a penny to 76p.

Golds edge higher

South African Gold shares continued to edge higher despite the fall in the bullion price to $114 at the afternoon fixing, after it had fixed at $115.35 in the morning.

Shares opened higher and improved further owing to modest Cape and Continental interest and

FINANCIAL TIMES STOCK INDICES

HIGHS AND LOWS

	1976 High	1976 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	65.21	60.19	127.4	49.18
Fixed Int.	64.45	59.75	150.4	50.53
Ind. Ord.	422.8	364.7	549.5	49.4
Gold Mines	246.9	108.8	442.3	43.5

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and The Faculty of Actuaries

EQUITY GROUPS — GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section.)

	Equity groups	Wed. July 28, 1976 Index No.	Day's Change %	Est. Earnings Yield % (Max. Corp. Tax 52%)	Gross Div. Yield % (ACT at 35%)	Est. P/E Ratio (Net) Corp. Tax 52%	Est. P/E Ratio (Nil) Corp. Tax 52%	Tues. July 27 Index No.	Monday July 26 Index No.	Friday July 23 Index No.	Thurs. July 22 Index No.	Year ago (approx.) Index No.	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	CAPITAL GOODS (179)	140.71	+0.5	17.42	6.49	8.65	8.57	139.96	139.85	142.45	144.41	106.03	160.08	137.18	206.37	50.17
2	Building Materials (30)	122.54	+1.1	16.20	7.55	9.36	9.36	121.23	121.64	125.91	126.82	89.10	150.18	121.23	235.84	44.27
3	Contracting, Construction (23)	181.05	+1.1	21.24	6.06	7.45	7.45	179.12	179.35	181.06	186.61	184.79	260.20	179.12	589.35	71.48
4	Electricals (16)	261.45	+0.4	16.88	5.08	8.86	8.62	260.33	259.38	266.17	270.45	200.98	287.30	245.72	550.04	86.71
5	Engineering (Heavy) (13)	173.77	+0.7	23.17	7.06	6.73	6.73	172.50	171.30	175.80	179.82	126.07	193.18	161.88	202.57	94.45
6	Engineering (General) (63)	131.79	+0.4	17.76	6.81	8.37	8.37	131.31	131.05	133.05	134.10	93.49	149.29	125.48	168.59	45.14
7	Machine and Other Tools (9)	58.53	−0.2	18.00	7.57	8.39	8.37	58.63	58.48	58.84	59.57	38.64	60.62	51.19	136.70	19.96
8	Miscellaneous (25)	128.48	−0.1	14.59	6.79	10.33	10.03	128.64	129.12	131.18	132.21	95.89	141.94	121.53	177.41	49.65
9	CONSUMER GOODS (DURABLE) (53)	122.29	—	17.63	5.62	8.49	8.47	122.23	121.87	123.22	124.95	81.15	141.46	116.86	227.78	38.39
10	Lt. Electronics, Radio TV (15)	152.59	−0.2	16.18	4.34	9.11	9.10	152.92	152.31	153.49	136.04	94.87	160.35	138.75	257.41	42.88
11	Household Goods (13)	155.37	−0.3	20.55	7.73	7.43	7.42	154.87	156.28	157.86	159.05	125.95	187.22	154.87	263.82	63.92
12	Motors and Distributors (25)	78.94	+0.4	18.70	6.75	8.09	8.06	78.65	78.28	79.41	80.12	42.49	85.16	73.05	170.59	19.91
13	CONSUMER GOODS (NON-DURABLE) (168)	144.12	−0.4	14.95	6.62	10.11	9.97	143.50	143.38	145.44	147.36	117.60	162.24	138.95	226.08	61.41
14	Breweries (15)	164.09	+1.0	14.38	6.94	10.42	10.42	162.49	161.76	163.40	166.45	129.95	179.45	147.99	281.87	69.47
15	Wines and Spirits (7)	161.90	+0.7	14.46	6.74	10.59	10.59	160.70	159.55	161.77	163.98	133.59	190.67	159.55	257.40	78.71
16	Entertainment, Catering (14)	171.73	−0.3	14.15	7.75	10.90	10.81	171.16	170.13	172.40	174.98	154.85	211.26	153.17	329.99	54.67
17	Food Manufacturing (22)	157.62	−0.6	16.75	5.60	9.08	9.02	156.63	156.68	159.38	160.53	125.55	179.44	156.65	211.65	59.78
18	Food Retailing (16)	129.58	+0.6	13.72	5.89	10.66	10.66	128.79	128.95	131.45	133.25	115.98	150.05	126.66	235.08	54.25
19	Newspapers, Publishing (16)	178.24	−0.3	11.82	5.88	13.00	13.00	178.85	176.84	176.76	177.69	117.65	184.54	157.01	250.29	55.08
20	Packaging and Paper (12)	99.06	+0.4	16.49	7.63	9.33	9.33	98.67	98.77	100.68	102.51	79.65	112.50	94.92	135.69	43.46
21	Stores (34)	118.03	+0.1	13.02	5.92	11.83	11.81	117.95	118.56	120.18	121.86	101.20	136.24	113.17	204.59	52.63
22	Textiles (23)	143.82	+1.1	10.90	7.98	13.25	10.88	142.22	141.43	144.63	148.12	119.32	183.19	141.43	253.72	62.66
23	Tobaccos (3)	220.13	+0.2	19.38	7.84	7.75	7.75	219.64	219.15	221.60	224.07	175.62	241.89	211.56	339.16	94.54
24	Toys and Games (6)	74.68	−2.7	20.20	8.02	6.63	6.60	76.76	76.03	78.04	78.35	41.18	80.95	59.13	135.72	20.92
	OTHER GROUPS (96)															
25	Chemicals (26)	210.39	+0.9	12.03	5.36	11.64	11.64	208.58	208.48	212.19	214.87	157.53	231.38	199.45	231.38	71.20
26	Office Equipment (9)	89.75	+0.5	13.05	5.80	11.31	11.31	89.30	89.11	90.89	92.57	74.61	100.18	85.09	246.06	45.34
27	Shipping (12)	380.18	+1.4	13.10	6.77	11.08	10.07	374.78	366.31	379.87	386.00	320.84	432.64	355.53	517.00	90.80
28	Miscellaneous (49)	149.18	+0.7	15.05	7.65	9.91	9.89	148.12	148.49	150.71	152.96	120.21	172.98	148.12	258.85	60.59
29	INDUSTRIAL GROUP (496)	148.47	+0.5	15.15	6.40	9.84	9.74	147.66	147.50	149.90	151.94	116.22	166.58	144.68	220.17	59.01
30	OILS (4)	351.50	+0.3	12.18	4.67	9.49	8.79	350.50	351.90	355.94	359.10	265.01	395.84	331.54	451.66	87.23
31	500 SHARE INDEX	165.20	+0.5	14.68	6.12	9.79	9.58	164.37	164.32	166.88	169.02	128.41	185.00	161.90	227.95	63.49
32	FINANCIAL GROUP (100)	124.23	+0.5	—	6.18	—	—	123.66	126.65	128.60	129.08	114.13	153.46	118.62	241.41	55.88
33	Banks (6)	149.07	+1.1	22.44	6.07	6.86	6.86	147.51	156.97	158.23	156.35	131.78	192.16	146.58	288.39	62.44
34	Discount Houses (10)	147.03	−0.1	—	9.41	—	—	147.17	147.06	148.91	150.34	142.07	186.52	147.03	293.13	81.40
35	Hire Purchase (5)	86.91	+0.4	—	7.56	—	—	86.54	87.82	87.74	88.99	89.92	132.10	85.54	433.72	38.83
36	Insurance (Life) (9)	102.88	−0.4	—	6.94	—	—	103.29	104.06	106.89	108.37	96.52	129.46	95.91	194.46	44.88
37	Insurance (Composite) (7)	96.39	−0.3	—	7.28	—	—	96.72	97.32	99.89	100.74	96.45	119.75	92.03	155.76	43.96
38	Insurance Brokers (9)	231.45	+0.3	10.66	4.79	13.86	13.86	230.75	237.05	240.98	242.45	184.14	276.90	218.26	276.90	65.86
39	Merchant Banks (16)	72.30	+1.4	—	7.73	—	—	71.28	71.91	72.49	73.30	77.46	95.85	69.72	278.57	31.21
40	Property (32)	166.12	+0.8	3.59	3.28	52.27	53.04	164.73	165.06	166.67	168.77	137.54	194.57	144.37	357.40	56.01
41	Miscellaneous (6)	73.12	+2.7	17.53	8.44	8.82	8.82	71.23	70.52	70.06	70.86	63.12	91.98	68.44	303.13	33.29
42	Investment Trusts (50)	146.69	+0.6	3.65	5.19	28.35	28.35	145.06	144.73	147.56	149.26	146.31	184.55	141.96	240.79	71.63
43	ALL-SHARE INDEX (650)	154.43	+0.5	—	6.08	—	—	153.65	154.23	156.65	158.45	125.56	172.64	150.59	228.16	61.92
	COMMODITY GROUPS (Not included in 500 or All-Share indices)															
44	Rubbers (9)	472.27	+0.3	9.60	5.93	15.21	13.89	471.06	469.18	476.24	480.01	400.31	523.40	404.67	555.37	84.68
45	Teas (8)	139.66	+0.3	30.17	8.48	4.50	4.35	139.23	138.30	137.58	137.83	101.18	142.43	117.89	142.45	59.72
46	Coppers (3)	214.39	—	46.10	8.01	2.17	2.17	214.39	216.13	221.36	220.69	363.73	301.47	178.95	567.78	94.06
47	Mining Finance (11)	96.02	—	10.86	5.22	10.36	10.28	96.05	94.78	95.84	96.75	122.54	119.77	86.18	175.90	66.31
48	Tins (8)	116.40	−0.1	11.05	7.78	13.56	12.87	116.49	116.56	117.96	117.39	90.63	119.14	86.09	125.43	54.83
49	Overseas Traders (13)	216.71	+0.3	15.71	4.49	8.26	8.26	216.11	215.58	219.22	220.04	203.37	254.47	217.65	254.47	97.37

FIXED INTEREST

	Fixed interest	Wed., July 28 Index No.	Wed., July 28 Yield %	Tuesday July 27	Monday July 26	Friday July 23	Thurs. July 22	Wed. July 21	Tuesday July 20	Monday July 19	Year ago (approx.)	1976 High	1976 Low	Since Compilation High	Since Compilation Low
1	Consols 2½% yield	—	14.11	14.11	14.10	13.99	13.98	13.98	13.97	13.96	13.92	—	—	—	—
2	20-yr. Govt. Stocks (6)	48.52	‡13.40	48.33	48.15	48.84	49.11	48.92	49.15	49.17	60.39	53.45	47.56	115.42	38.27
3	20-yr. Red. Deb. & Loans (15)	50.55	‡14.62	50.55	50.62	50.80	50.82	50.82	50.82	50.66	47.83	52.40	46.68	113.43	37.01
4	Investment Trust Prefs. (15)	48.88	14.16	48.37	48.37	49.31	49.31	49.31	49.26	49.26	47.13	51.23	45.43	114.41	34.45
5	Coml. and Indl. Prefs. (20)	68.49	13.71	68.29	68.32	68.68	68.73	68.72	68.73	68.87	67.79	71.97	62.76	114.95	47.67

Section or Group	Base Date	Base Value	Section or Group	Base Date	Base Value
Overseas Traders	31/12/74	100.00	Insurance Brokers	29/12/67	96.67
Engineering (Heavy)	31/12/71	153.84	Mining Finance	29/12/67	100.00
Engineering (General)	31/12/71	153.84	All Other	10/4/62	100.00
Wines and Spirits	16/1/70	144.76			
Toys and Games	16/1/70	135.72			
Office Equipment	16/1/70	167.74			

‡ Redemption yield. FT-Actuaries indices are calculated by Extel Communications Limited (a member of the Exchange Telegraph Group) on an ...

London, EC4P 4BY, price 13p. By post 20p.

A record of the indices, cost £30, is obtainable from FT Business Enterprises 10, Bolt Court, London, EC4. It gives all group and sub-section indices at fortnightly intervals since the start of the series in 1962 with quarterly highs and lows. Dividend and earnings figures are also included.

CONSTITUENT CHANGE: British American Tobacco has been replaced by B.A.T. Industries (Tobaccos).

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1976 high	1976 low
ICI	£1	13	355	+2	402	328
BAT Defd.	25p	10	215	+2	225	208
Lloyds Bank	£1	10	208	+1	266	202
Manbre & Garton	50p	9	172	—	181	122
Peachey Prop.	25p	8	52½	−1½	54	24
Barclays Bank	£1	7	268	+3	358	262
De La Rue	50p	7	251	+5	254	200
Hambro Life Ass.	25p	7	214	−6	235	211
Marks & Spencer	25p	7	101	+2	108	88
Rank Org.	25p	7	162	+2	195	142
Shell Transport	25p	7	424	+2	462	378
Assoc. P. Cement	£1	6	152	+2	202	146
BP	£1	6	585	—	685	575
Commercial Union	25p	6	118	—	158	106
GKN	£1	6	308	+2	360	266

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163(1) (e).

Option Report—3-month Call Rates

OPTION DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
July 20	Aug. 2	Oct. 14	Oct. 26
Aug. 3	Aug. 16	Oct. 28	Nov. 9
Aug. 17	Aug. 31	Nov. 11	Nov. 23

"Calls" were dealt in Town and City, Intereuropean Properties, Fitch Lovell, Letraset, Burmah Oil, Berry Wiggins, BSG International, Cavenham Warrants, Bridgend, Lonrho, Leboff Fobel, Polymark, Charterhall Finance, "Lofs," Distillers and Metal Box, while "doubles" were arranged in Burmah Oil, BSG International, Cavenham Warrants, Leboff Fobel, Lonrho and Slater Walker.

Industrials							
A. P. Cement	15	Guardian	18	Spillers	4	Shell	47
Assoc. Leisure	3	G.K.N.	25	Tesco	4	Ultramar	14
Barclays Bank	22	Hawker Sidd.	35	Thorn "A"	22		
Beecham	28	House of Fraser	8	Tube Invest.	27	Mines	
Boots Drug	12	I.C.I.	20	Unilever	38	Anglo-Amer.	50
Bowaters	16	"Imps"	7	Utd. Drapery	8	Charter Cons.	15
B.A.T.	30	I.C.L.	14	Vickers	15	Char'h'll Fin.	4
British Leyland	5	Inveresk	7	Williams Hud'n	4	Cons. Gold	15
BOC Int.	5½	Legal & General	12	Woolworths	6	De Beers Dcf.	35
Burton 'A'	6½	Ladbroke	11			F. S. Geduld	550
Cadburys	5	Lloyds Bank	22	Property		Great Boulder	12
Courtaulds	11	"Lofs"	4	Brit. Land	5½	Hampton Areas	12
Debenhams	8	"Mams"	7	Cap. Counties	5	Hampton Prop.	4
Distillers	13	Marks&Spencer	8	E. P.	6	Kloof	100
Dunlop	7½	Midland Bank	22	Int. Europ.	7	Lonrho	9
Eagle Star	11	Nat'l West Bank	20	Land Securities	14	Loraine	35
		"Do" Warrants	8½	MEPC	7	Poseidon	55
		P & O Dfd.	11	Peachey	3	Pres. Steyn	200

NEW HIGHS AND LOWS FOR 1976

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1976.

NEW HIGHS (17)

COMMONWEALTH (1) — BANKS (1) — BEERS (2) — STORES (2) — ENGINEERING (3) — INDUSTRIALS (2) — NEWSPAPERS (1) — PROPERTY (1) — TRUSTS (1) — OILS (1) — MINES (2)

NEW LOWS (43)

BANKS (4) — BUILDINGS (3) — CHEMICALS (1) — STORES (2) — ELECTRICALS (3) — ENGINEERING (2) — FOODS (1) — INDUSTRIALS (12) — PAPER (1) — PROPERTY (2) — TEXTILES (1) — TRUSTS (9) — RUBBERS (1) — MINES (1)

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	50	—	6
Corpns. Dom. and Foreign Bonds	15	1	48
Industrials	398	186	1,278

MONEY MARKET

Moderate assistance

Bank of England Minimum Lending Rate 11½ per cent. (since May 21, 1976)

Day-to-day credit was in shorter supply than expected in some quarters, in the London money market yesterday, and although a slight shortage was forecast the authorities gave rather more assistance than market factors tended to indicate. The total amount of help was moderate, with the authorities buying a small number of Treasury bills from the discount houses, and also lending a moderate amount overnight, to one or two houses, at Bank of England Minimum Lending Rate.

Banks carried forward surplus balances from Tuesday, but on the other hand there was a net market take-up of Treasury bills, and settlement was made of official sales of gilt-edged stock.

Discount houses paid 10½-10¾ per cent. for secured call loans in the early part, and closing balances were taken at 10-10½ per cent.

In the interbank market overnight loans commanded 10¼-10½ per cent. at the start, and ranged between 10 per cent. and 11 per cent., closing at around 11 per cent.

Rates in the table below are nominal in some cases.

AUTHORISED UNIT TRUSTS

INSURANCE, PROPERTY, BONDS

OFFSHORE AND OPERTY, BONDS

REGIONAL MARKETS

IRISH

34		I.O.M Stm.£1	140	+3	Alliance Gas	33	–
23		Holt Jos. 25p	235		Arnott	225	–
137		Kleen-e-Ze	32		Carroll (P.J.)	112	
38		Lovell Shipt.£1	97		Clondalkin	43	
350		Nthn Goldsmith	86		Concrete Prods.	90	
18		P.M.A.	32		Heiton (Hldgs.)	23	
66		Pearce (C. H.)	85		Ind. News	40	
22		Peel Mills	14		Ins. Corp.	165	
31		RobbCaledon5h	48		Irish Distillers	48	
46		Sayers 12½p	16		Irish Ropes	90	
16		Sheffield Brick	83		Jacob	60	
152½		Shell Refrnm't	135		Sunbeam	11	
323	–8	Shiloh Spinn.	25		T.M.G.	70	
7	–1	Sindall (Wm.)	50		Unidare	70	

DERS AND LAGGARDS

percentage changes* which have taken place in the principal equity sections of the F.T.-Actuaries ... it also contains the F.T. Gold Mines Index.

	+ 24.53	Stores	– 4.44
Games	+ 23.53	Overseas Traders	– 5.19
	+ 17.58	Packaging and Paper	– 5.24
	+ 16.94	Property	– 5.59
als	+ 15.39	Household Goods	– 8.07
Distributors	+ 13.04	Wines and Spirits	– 8.20
and Publishing	+ 10.04	Insurance (Composite)	– 8.38
	+ 6.41	Entertainment and Catering	– 8.53
	+ 5.77	Financial Group	– 9.89
	+ 5.59	Food Retailing	– 10.11
(Heavy)	+ 5.58	Banks	– 10.93
Brokers)	+ 5.45	Insurance (Life)	– 12.02
(General)	+ 5.33	Textiles	– 12.82
ment	+ 4.94	Building Materials	– 13.11
	+ 2.36	Investment Trusts	– 13.98
	+ 1.75	Mining Finance	– 15.11
(Durable) Group	+ 1.47	Discount Houses	– 15.92
	– 0.43	Merchant Banks, Issuing Houses	– 16.45
	– 0.48	Hire Purchase	– 17.42
Group	– 1.44	Coppers	– 18.00
	– 1.53	Contracting and Construction	– 27.44
	– 2.80	Gold Mines F.T.	– 49.12
Radio and TV	– 2.94		
cturing	– 3.55		
(Non-durable) Group	– 4.06		

* Percentage changes based on Tuesday, July 27, 1976, indices.

FT SHARE INFORMATION SERVICE

**BRITISH FUNDS

1976 High	Low	Stock	£	+ or –	Yield Int.	Red.
		"Shorts" (Lives up to Five Years)				
98⅝	98	Victory 4pc 1976‡‡	98		4.04	—
101⅜	99½	Treasury 10½pc 1976‡‡	99⅝	+ ⅛	10.52	10.75
98½	95½	Treasury 6½pc 1977‡‡	97⅛		6.43	11.04
97¾	94½	Electric 3pc '74-77	96¼	+ ⅛	3.12	9.24
103⅛	92⅞	Treasury 11½pc '77‡‡	100	+ ⅛	11.50	11.39
95⅛	91⅞	Treasury 3pc '77‡‡	94⅜	+ ⅛	3.18	7.61
95⅝	92¼	Transport 4pc '72-77	94⅝	+ ¼	4.23	8.13
99⅞	90½	Treasury 9pc 1978‡‡	96½	+ ⅛	9.34	11.47
101½	97	Treasury 10½pc '78‡‡	98⅞	+ ⅛	10.64	11.25
93½	89⅝	Exchequer 5pc '76-78‡‡	92	+ ¼	5.43	9.14
103⅞	97⅜	Treasury 11½pc '79‡‡	99⅝	+ ¼	11.54	11.61
88⅞	83⅝	Treasury 3pc '79‡‡	86½	+ ¼	3.47	7.93
89⅞	73⅞	Electric 4½pc '74-79	87¼	+ ¼	4.87	8.96
100⅞	94⅞	Treasury 10½pc '79‡‡	96⅝	+ ⅛	10.87	11.73
88¼	83⅝	Electric 3½pc '76-79	86½	+ ¼	4.05	8.24
96⅞	90¾	Treasury 9pc 1980‡‡	92⅞xd	+ ⅛	9.71	11.58
96½	91¼	Treasury 9½pc '80‡‡	92⅞	+ ⅛	10.25	11.93
86½	82¼	Treasury 3½pc '77-80	85½	+ ¼	4.11	8.03
89½	72	Funding 5¼pc '78-80‡‡	87½	+ ¼	6.01	9.19
103⅞	96⅞	Treasury 11½pc 1981‡‡	98⅞	+ ⅛	11.65	11.87
86	79	Treasury 3½pc 1979-81	83⅜xd	+ ¼	4.20	7.92
95⅝	90⅛	Treasury 9¾pc 1981‡‡	91¾	+ ⅛	10.63	12.09
		Five to Fifteen Years				
94¼	86	Treasury 8½pc '80-82‡‡	87⅝	+ ¼	9.74	11.69
107¾	99⅜	Treasury 12pc 1983‡‡	102⅜	+ ½	12.25	12.44
81⅛	73¼	Funding 5½pc '82-84‡‡	76½	+ ¼	7.24	10.18
87⅝	79⅜	Treasury 8½pc '84-86‡‡	81⅜	+ ¼	10.50	11.80
74⅞	67⅛	Funding 6½pc '85-87‡‡	69½	+ ¼	9.57	11.84
77⅝	71	Treasury 7¾pc '85-88‡‡	71⅝xd	+ ½	10.83	12.46
51¼	45⅝	Transport 3pc '78-88	48½	+ ⅛	6.21	10.82
59¾	52¾	Treasury 5pc '86-89	55	+ ¼	9.33	12.13
103¾	93¾	Treasury 13pc 1990‡‡	94⅝	+ ¼	13.81	13.97
75⅞	68	Treasury 8¼pc '87-90‡‡	69¾	+ ¼	12.00	13.21
60	53⅝	Funding 5¾pc '87-91‡‡	55¼	+ ¼	10.76	12.88
		Over Fifteen Years				
100½	87⅝	Treasury 12¾pc '92‡‡	91⅝xd	+ ¼	13.97	14.15
98½	85¾	Treasury 12½pc '93‡‡	89⅜	+ ¼	14.07	14.25
58	50⅝	Funding 6pc 1993‡‡	53⅛	+ ¼	11.79	13.35
75⅜	66⅛	Treasury 9pc '94‡‡	69½	+ ¼	13.29	13.89
36½	32⅛	Gas 3pc '90-95	33½	+ ⅛	9.15	12.19
100	87⅞	Treasury 12¾pc '95‡‡	92½	+ ⅜	14.19	14.28
75⅞	66⅞	Treasury 9pc '92-96‡‡	70	+ ¼	13.50	14.02
95¼	93⅞	Exchequer 13¼pc '96‡‡	94½	+ ½	14.28	14.36
35½	31	Redemption 3pc 1986-96	33⅜	+ ⅛	9.26	11.92
102½	88	Treasury 13¼pc '97‡‡	92⅞	+ ½	14.31	14.36
70⅛	63¾	Treasury 8¾pc 1997‡‡	63⅝xd	+ ¼	13.55	14.04
57⅞	50⅛	Treasury 6¾pc '95-98‡‡	53	+ ¼	13.14	13.88
76	65½	Treasury 9½pc 1999‡‡	69¼	+ ¼	13.79	14.09
31½	27¾	Funding 3½pc '99-04	28⅝	+ ⅛	12.29	13.23
65	56¾	Treasury 8pc '02-06‡‡	60	+ ¼	13.92	14.07
46⅞	39⅝	Treasury 5½pc '08-12‡‡	42¼	+ ¼	13.71	13.86
60⅞	52¼	Treasury 7¾pc '12-15‡‡	55½xd	+ ¼	13.98	14.03
		Undated				
30⅞	26⅛	Consols 4pc	27⅝xd	+ ⅛	14.46	—
27⅞	24⅜	War Loan 3½pc‡‡	25⅞	+ ⅛	13.82	—
28⅞	25¼	Conv. 3½pc '61 Aft.	27	+ ⅛	13.53	—
23¼	20⅝	Treasury 3pc '66 Aft.	21⅝		14.50	—
19⅝	17	Consols 2½pc	17⅞		14.11	—
19½	16⅞	Treasury 2½pc	17⅞		14.65	—

**INTERNATIONAL BANK

1976 High	Low	Stock	£	+ or –	Yield Int.	Red.
99¾	98¾	8pc Stock 1976	99¾		—	—
75	66½	5pc Stock '77-82	73¼xd	+ ⅛	6.80	11.12

**CORPORATION LOANS

1976 High	Low	Stock	£	+ or –	Yield Int.	Red.
89¾	84½	Birm'ham 9¾pc '79-81	84½xd		10.93	13.56
97⅝	87½	Bristol 6½pc '75-77	97⅝		6.66	11.31
94¾	89½	Essex 5½pc '75-77	94¾	+ ⅛	5.80	11.55
95¾	92⅞	G.L.C. 7¼pc 1977	95½		7.59	11.94
102½	93½	Do. 12½pc '82	97¾	+ ½	13.08	13.60
78⅝	74⅝	Herts. 5½pc '78-80	78½	+ ¼	6.68	12.48
95½	91⅞	Liverpool 7pc '76-77	94¾	+ ¼	7.39	12.03
87¼	79	Do 9¾pc '80-84	81½		12.24	14.12
26	22¾	Do. 3½pc Irred.	23¾	– ¼	15.17	—
90	86¼	Lon. Corp. 6½pc '75-78	89¼		7.28	12.65
83	75	Do. 9½pc '84-85	80		11.99	13.70
92	87⅞	L.C.C. 6pc '75-78	91½xd		6.55	12.22
75½	69¾	Do 5½pc '77-81	73¼		7.72	13.41
67½	60½	Do 5½pc '82-84	63		8.75	13.16
59	52½	Do. 5½pc '85-87	54½		10.22	13.83
60½	20½	Do 6¾pc '88-90	54½		12.45	14.46
22½	19¼	Do 3pc '20 Aft.	20⅝		14.50	—
93¼	90	Middx. 6¼pc '75-77	93		6.72	12.01
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COMMONWEALTH & AFRICAN LOANS

[illegible]

LOANS (Miscel.)

[illegible]

FOREIGN BONDS & RAILS

[illegible]

U.S. $ DM Prices exclude inv. $ premium

AMERICANS

[illegible]

S.E. List Premium 39½% (based on $1.7880 per £)

Conversion factor 0.7162 (0.7239)

CANADIANS

[illegible]

S.E. List Premium 39½% (based on $1.7425 per £)

BANKS AND HIRE PURCHASE

[illegible]

Hire Purchase, etc.

[illegible]

BEERS, WINES AND SPIRITS

[illegible]

BUILDING INDUSTRY, TIMBER AND ROADS

[illegible]

BUILDING INDUSTRY—Continued

[illegible]

CHEMICALS, PLASTICS

[illegible]

CINEMAS, THEATRES AND TV

[illegible]

DRAPERY AND STORES

[illegible]

DRAPERY AND STORES—Continued

[illegible]

ELECTRICAL AND RADIO

[illegible]

ENGINEERING, MACHINE TOOLS

[illegible]

ENGINEERING—Continued

[illegible]

FOOD, GROCERIES, ETC.

[illegible]

HOTELS AND CATERERS

[illegible]

HOTELS—Continued

[illegible]

INDUSTRIALS (Miscel.)

[illegible]

MINES—Continued

FAR WEST RAND

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
710	320	Blyvoor 25	395	+10	Q75c	ф	12.3
£14	580	Buffels R1	650	+15	Q125c	ф	12.4
198	88	Deelkraal R0.20	103	+3	—	—	—
760	210	Doornfontein R1	240	−10	Q55c	ф	14.8
965	500	East Drie R1	560	...	Q75c	1.7	8.7
280	140	Elandsrand Gld. 20c	150	+5	—	—	—
190	68	Elsburg R1	80	−2	‡Q338c	1.0	‡
£16½	850	Hartebeest R1	950		Q190c	ф	14.7
695	300	Kloof Gold R1	390	+10	Q47c	ф	7.8
760	275	Libanon R1	280	......	Q80c	ф	18.5
740	335	Southvaal 50c	390	...	Q8c	1.3	13
245	128	Stilfontein 50c	136	+2	‡Q36c	2.2	‡
£20½	£10¼	Vaal Reefs 50c	£10¾		‡Q175c	2.1	‡
420	90	Venterspost R1	115	+5	‡Q70c	1.9	‡
£35	£14½	W. Drie R1	£16¾	+½	Q335c	ф	12.9
315	110	Western Areas R1	130	−2	‡Q52c	1.4	‡
£15¾	570	Western Deep R2	680		‡Q147½c	1.6	‡
290	164	Zandpan R1	174	+2	Q31¼c	ф	11.6

O.F.S.

1976 High	Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
170	70	Free State Dev. 50c	80		Q9c	ф	7.5
£22½	880	F. S. Geduld 50c	£10¼	+¼	‡Q330c	1.3	‡
200	57	F. S. Saaiplaas R1	120		Z6c	0	3.2
465	295	Harmony 50c	315	−5	Q65c	ф	13.4
195	68	Loraine R1	75	+1	Q6c	0.5	5.2
£18½	900	Pres. Brand 50c	£10	+¼	‡Q250c	1.3	‡
£13	540	Pres. Steyn 50c	615	+5	‡Q125c	2.2	‡
£10¼	880	St. Helena R1	£10¼	+⅛	‡Q250c	1.2	‡
174	86	Unisel	94	+1	—	—	—
330	165	Welkom 50c	190	+10	‡Q55c	1.7	‡
£25½	£13	W. Holdings 50c	£14	−¼	‡Q475c	1.2	‡

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures; they are adjusted to ACT of 35 per cent. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields, assuming maintenance of net dividends on current rate of ACT, are based on middle prices, are gross and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ■ "Tap" Stock.
- * Highs and *Lows* marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents.
- ф Figures or report awaited.
- †† Unlisted security.
- ≠ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ** Free of Stamp Duty.
- ♦ Merger bid or reorganisation in progress.
- ⁂ Not comparable.
- ⊕ Same interim: reduced final and/or reduced earnings indicated
- § Based on 1973 profits.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ✣ Regional price.
- ‖ No par value

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. r Australian currency. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment. Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Issue price. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1976-77. K Figures based on prospectus or other official estimates for 1976-77. M Figures based on prospectus or other official estimates for 1976. N Dividend and yield based on prospectus or other official estimates for 1976. Q Gross. T Figures assumed. U No significant Corporation Tax payable. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xc ex capital distribution.

"Recent Issues" and "Rights" Page 22

This service is available to every Company dealt in on Stock Exchanges throughout the United Kingdom for a fee of £325 per annum for each security.

FINANCIAL TIMES
Thursday July 29 1976

BP proves Magnus find

BY RAY DAFTER, ENERGY CORRESPONDENT

BRITISH PETROLEUM has proved an extension to its North Sea Magnus Field, indicating that a decision to develop the structure could be made next year.

At the same time, the Transworld exploration group is about to start appraisal drilling on its Buchan Field, which could also mark the beginning of a development programme.

The Department of Energy hopes that the progress with Magnus and Buchan could signal the start of a new phase in North Sea oil exploration, giving a badly-needed boost to platform builders, contractors and offshore service companies.

BP confirmed that its latest Magnus appraisal well, on block 211/7 some 110 miles north-east of the Shetlands, had tested oil at a rate of 5,700 barrels a day.

Rig moved

Having delineated the northern extremities of the field, the rig Sedco 703 is being moved about nine miles to drill a well on block 211/12 on the southern part of the Magnus structure.

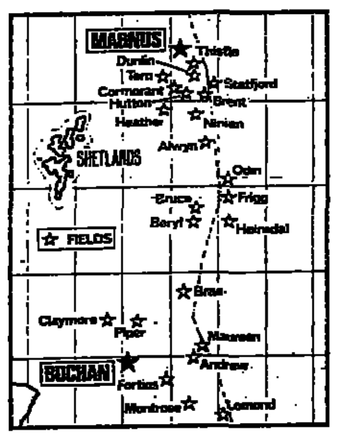
The company regards the Magnus Fields — the most northerly so far found in the U.K. sector—as its most promising prospect after Forties.

The industry regarded the latest find as "encouraging." Recoverable reserves are estimated at 450m.-550m. barrels, although the size could be upgraded if the southern well is successful.

If BP decides to go ahead with development next year as tentatively planned, the company may well opt for a conventional platform production system. It has been investigating alternative methods, such as tethered-leg floating systems, but it is becoming increasingly wary of using the new technology in such deep and hostile waters.

If the Buchan Field is developed, however, the operators are likely to choose some form of floating production system, but here again possible methods are still under consideration.

Although the new well is being drilled as part of the appraisal programme, if oil is found it is likely ultimately to be used for production. The well will be centrally placed on the Buchan structure, some 70 miles off the Scottish mainland.



Drilling, which is due to start next week, will be carried out from the rig Pentagon 82. In addition, Transworld and Texaco are to use the rig Sedneth 701 to drill an exploration well on a structure to the north of Buchan, on the boundary of blocks 21/1 and 20/5. Transworld will be the operator.

Industry estimates of Buchan's reserves—between 120m. and 250m. barrels—means that if developed it will be one of the smallest commercial fields in the North Sea, producing up to about 40,000 barrels a day. By using a floating production system, however, the exploration group could keep development costs to under £100m.

The Transworld Group comprises CCP North Sea Associates, Gas and Oil Acreage, Norminol and Lochiel Exploration, St. Joe Minerals Corporation, Candel Oil, City Investing and Apexco.

Another offshore group, led by Transocean Oil, yesterday announced that recent tests on block 16/26 had proved the well to be non-commercial. The well, which tested two intervals, had been plugged and abandoned.

The group said that a second, shallower apparently hydrocarbon-bearing zone was encountered but this did not warrant testing. Additional drilling on the block was contingent upon further evaluation of information gained.

Other companies associated with Transocean in the drilling of the well included: Bay Hall Trust, Berry Wiggins (Sea Search), Consolidated Gold Fields, DSM Hydrocarbons, GAO England, Husky Oil, Kewanee Oil, Oxoco-International, Sunlite Oil, Tanks North Sea, Tanks Oil and Gas, and Union Corporation.

Celtic Sea

● The search for oil and gas in the Celtic Sea is being stepped up this year, with British Gas playing a leading role. The corporation's exploration offshoot, Hydrocarbon GB, announced yesterday that it is linking with Texaco to use the semi-submersible rig Drillmaster to drill two wells.

The Celtic Sea is bounded by the coastlines of South Wales and North Somerset, Devon and Cornwall.

There were previously high hopes for substantial finds in the area, but three wells drilled in previous years failed to produce finds.

Oil participation deal, Page 8

Steel prices to be raised after £255m. deficit

BY ADRIAN HAMILTON

BRITISH STEEL is planning further price increases this autumn in an effort to turn its financial position from loss to profit during the current year.

Reporting a £255m. deficit for the last financial year, Sir Monty Finniston, retiring chairman, said that at the very least the Corporation hoped to break even this year and, provided that demand continued to rise, could do "even better than that."

Much depended, however, on the speed at which the economic revival took place later in the year and the extent to which BSC could hope to introduce further rises and "make them stick."

Sir Monty, who was making his last major public appearance before giving up the reins of BSC on September 9, would not be drawn on the extent of the price rise being considered. But customers, and private steel makers are generally expecting the Corporation to push for a substantial increase of around 10-15 per cent. should the market permit.

Discussing BSC's current position and prospects following its dramatic losses of last year—its first deficit in four years—Sir Monty said the Corporation had continued to incur losses for the first months of the new financial year and that these were now running at a rate of about £1-£1½m. in July.

He admitted that the Corporation's efforts to tackle "in-built overmanning" was losing momentum. But the January 23 agreement with the unions had been effective and a further 2,800 employees had left the Corporation since April in addition to the 18,000 who had left during the last financial year.

On current estimates, the Corporation should be breaking even on its monthly figures by "September or soon after" and thereafter it should move back to profit.

Although predicting that economic recovery would still be gradual over the rest of this year, he suggested that BSC was aiming to raise output from 17.2m. tonnes last year to 23.5-24m. tonnes during the current financial year and nearly double exports from 2.2m. tonnes to 3.5m. tonnes (about 4.5m. tonnes of liquid steel) over the same period.

Sir Monty vigorously denied that there was any fundamental problem of steel supply, although Mr. David Waterstone, commercial managing director, admitted continuing problems of supplying enough from the strip mills to meet demand.

On capital expenditure, Sir Monty said that BSC spending this year should rise to £594m. at 1976 prices. Half of this would be financed from European sources, particularly the ECSC, while interest charges were expected to rise to £150m.

While refusing to prejudge the results of the re-assessment ordered by Government into steel-making plans at Port Talbot and Shotton, he suggested that a downward estimate of future demand might hurt Shotton's prospects more than Port Talbot.

Details, Page 10

Ryland promises to peg telephone charges for year

BY KEVIN DONE, INDUSTRIAL STAFF

A PROMISE to hold telephone charges at present levels until July 31 next year was made yesterday by Sir William Ryland, chairman of the Post Office, when he announced profits of £147.9m. for last year.

Telecommunications charges had already been frozen until March 31. Prices will not have been increased for 22 months, in July, 1977, since the last increase was in October last year, said Sir William.

The Post Office profit, which has long been expected, following two rounds of price increases last year, contrasts sharply with the previous year's record loss of £306m.

Sir William said that the profit showed what could be achieved, "given the chance to run the industry on sound business lines."

The Post Office annual report, published yesterday, says that the profit had made possible a period of price stability which would extend well into 1976-77.

While the costs of telephone calls and the letter post will be held steady—the latter until at least the end of the year—the Post Office is seeking increased charges for the inland parcel service, which last year made a loss of £42.8m. and caused the postal service to make an overall loss of £9.2m.

The Mail Users' Association called for letter prices to be pegged throughout next year in the light of the £147m. profit.

The profit on the letter service gave the Post Office the opportunity to restore some Sunday and late evening collections.

The Post Office surplus was welcomed by the Post Office Engineering Union. Mr. Bryan Stanley, general secretary, said any suggestion that telephone charges should be reduced because of the surplus should be resisted.

To hand back part of the surplus would mean that the Post Office would have to borrow for future capital investment at high rates of interest which would be "financially foolish"—a point emphasised by Mr. Eric Varley, Industry Secretary, in the Commons.

Details, Page 10

Hard fight ahead for Tate

If Tate and Lyle succeeds in its bid for Manbre and Garton, it will be able to implement what it considers to be the most logical and humane plan for rationalising the sugar refining industry. It will improve the spread and stability of its business, by substantially increasing its interests in the starch industry. And it will achieve a sizeable increase in its earnings per share, since it is offering £44m. in cash (or a mixture of cash and convertible loan) for a company which looks capable of making well over £8m. this year.

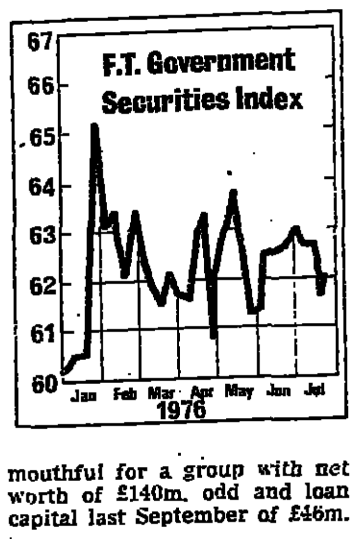
But the odds at present are weighted against a successful offer. Tate can reasonably point out that the bid of 170p per share represents a premium of about a quarter over Manbre's market price at the time of the interim figures last month, and suggest that the subsequent jump to a peak of 181p represented wild speculation. However, Manbre could probably double its dividend if it wanted to, taking the yield well into double figures at the bid price, whereas the p/e of the year to September may not be much more than 10.

So the offer is not really high enough to embarrass a determined defence—and that certainly seems to be what the Manbre Board has in mind. It dismisses Tate's ideas for the refining industry, and claims that its customers are already up in arms about what it sees as a threat to competition.

Of course Manbre will have to be more constructive, since the U.K. refining industry—facing surplus capacity of about a third by 1980—will have to be reorganised in one way or another. Tate argues that a merger would enable production to be matched with employment needs in the most effective manner, and that it would be more easy to create alternative employment within a larger group. It adds that capacity reductions will be more painful for everyone concerned if they have to be pushed through by the two groups acting independently.

Manbre has to come up with a convincing alternative—and if it can, the Tate bid will be in trouble. Moreover the scope for a significant improvement in the terms is restricted by the low rating of Tate's paper, on a p/e of about 5, and by the fact that the existing offer already represents quite a mouthful for a group with net worth of £140m. odd and loan capital last September of £46m.

Index rose 2.7 to 375.4



De La Rue

De La Rue's first quarter profits make it clear that last year's second half recovery was not just another flash in the pan. For the three months to June profits are £4.18m. pre-tax which compares with £4.53m. in the final quarter of 1975-76 when exchange profits were coming through strongly. So it begins to look as if the group can top £16m. overall this year for earnings of 35p a share; in 1975-76 profits totalled £9.8m. with the second half annualising out at £15m. Up 5p to a new high of 251p yesterday the shares relative price strength stretches back to November.

This year's first half gets the benefit of loss elimination in France (laminates) and in the U.K. graphics divisions. But in general, De La Rue's trading background is improving. A healthier pricing background—worldwide—in laminates is easing the continuing problem of weak demand for formica, and the security operations are having another very solid year. Security accounted for two-fifths of total sales in 1975-76, and both bank notes—where there has been a sales shift to higher margin printing—and dispensing machines have high orders. The associates are moving forward, thanks to Nigeria and the Swiss company.

The shares have risen a quarter this year and double that since November, and the March rights issue involved some modest earnings dilution. That leaves the 1976-77 p/e at about 6[illegible]. Meantime, the yield is 7.2 per cent., and De La Rue—for all its erratic earnings record—has never had any balance-sheet problems.

Institutional funds

The degree of in[illegible] support for t[illegible] earlier this ye[illegible] by the latest [illegible] that pension [illegible] £387m. in equit[illegible] quarter agains[illegible] average of just u[illegible] 1975. In fact 5[illegible] their new funds [illegible] equity market dur[illegible] . . . The figure [illegible] companies is mu[illegible] per cent. of the to[illegible] too there was evide[illegible] money being ear[illegible] equities.

By contrast the in[illegible] bought rather less gilts [illegible] the previous quarter. Insur[illegible] company purchases fell [illegible] £514.1m. in the final quarter [illegible] 1975 to £363.7m., althoug[illegible] still accounted for slightly [illegible] half the insurance compan[illegible] net investment. Last year [illegible] had been buying short [illegible] heavily but in the first qu[illegible] the figures show that they [illegible] much longer, with the emp[illegible] on ten years and over. O[illegible] an increase in insurance [illegible] pany liquidity of £62.4m. [illegible] offset by a fall in pension [illegible] liquidity of about £160m.

Anglo-Continental

Once upon a time, Anglo-Continental was a magic [illegible] for creating paper wealth. In 1971 it was capitalised at [illegible] over £1m. Less than a [illegible] later, following the injection [illegible] £1m. by Goldsmith inter[illegible] and a string of paper acqui[illegible] tions, the market capitalisation was around £40m., and so [illegible] published net worth.

But Anglo lost its role in [illegible] a long time ago. Its proper[illegible] interests (Argyle) are bein[illegible] liquidated, its holding in Ca[illegible] enham—following the latter [illegible] recent deal with the Goldsm[illegible] master company, Gener[illegible] Occidentale—is now too sma[illegible] to equity account, and the sa[illegible] of its insurance broking bu[illegible] ness is currently being negotiated. So the bid by GO for the public shareholdings in both Anglo and Argyle on what look like reasonably generous terms is absolutely no surprise. No one will much mourn their passing.

Chrysler may need further assistance from Government

BY TERRY DODSWORTH, MOTOR INDUSTRY CORRESPONDENT

CHRYSLER U.K. may be forced to go back to the Department of Industry for further financial assistance because of the way in which the original rescue deal was handled by the Government.

This is the view given in an Expenditure Committee report which castigates the DoI for failing to anticipate Chrysler Corporation's threat to withdraw from the U.K.

The rescue has bought a four-year breathing space for the company, the report says. But after 1979 Chrysler U.K. will not be able to generate funds for financing its model programme and repaying its loans, and it might ask for its present loans to be funded into equity.

"Should such a situation arise, the Government ought not to be unprepared. If the funds available to Chrysler U.K. are inadequate, and if Chrysler Corporation is unwilling to help, then the thrice-postponed collapse of the company (1964, 1967 and 1975) might occur."

Dr. Edmund Marshall, chairman of the Trade and Industry sub-committee of the Expenditure Committee, which prepared the report, said in London yesterday that such a crisis might be avoided by integrating Chrysler U.K. and European activities.

But he pointed out that there was no absolute guarantee within the scheme that such integration would occur, and other MPs on the committee were strongly critical of the Government's failure to write a commitment on integration into the rescue terms.

Chrysler U.K. said last night that it considered integration "to be fundamental to future success."

Startling

The report concludes that the rescue of Chrysler U.K. was "not an acceptable precedent for future action."

It says the Industry Department's "apparent failure to see—and certainly to be prepared for the results of—some very plain indications of Chrysler U.K.'s intrinsic weakness is startling in view of the close contacts which it told us it maintained with the company."

The areas where the Government could have got a better deal, the committee suggests are in forcing Chrysler Corporation to foot more of the bill, and in extracting a commitment for integration of the U.K. company with the group's other activities.

Mr. John Riccardo, chairman of Chrysler Corporation, pulled off a good deal for the company, the committee says.

Activities should be merged, Page 10

MOT test for headlamps

MR. JOHN GILBERT, Minister for Transport, said in the House of Commons yesterday that he has brought forward by two years the date by which headlamp beam-setting equipment must be used in the MOT Test.

Since the task of giving approval to some 18,000 examiners would be an onerous one, he had decided that all applications received before January 1, 1977, would be considered first.

Continued from Page 1

Earthquake

diplomats and journalists have abandoned their flats in the sky-scraper blocks of the diplomatic compound to take refuge in their respective embassies.

First reports of foreign casualties to reach Peking have come from Tangshan. A young French girl, travelling with a French party from the Franco-Chinese Friendship Society, and a Japanese businessman are said to have died. The body of the French girl has already been returned to Peking.

The Japanese businessman was one of a party of eight, four of whom were seriously injured and three are listed as missing. The casualties occurred when the facade of their hotel fell away from the building.

There appears to have been little panic, and the intensive publicity campaign conducted over the past two years in China advising people what to do in the event of an earthquake.

This is the second major earthquake in China this year. One shook the south-western province of Yunan in May, and last year another serious earthquake hit Liaoning in northern China.

Continued from Page 1

Social contract

creation of a million new jobs in the next three years.

Other urgent measures set out include the introduction of a wealth tax in the next session of Parliament, Government legislation on industrial democracy and proposals for limiting top salaries to an agreed multiple of the average wage by co-ordinated action over a number of years.

On industrial strategy, the contract calls for urgent planning agreements with at least a majority of the top 100 companies.

The possibility of selective import controls is also retained.

"Financial institutions, including the banking system, should be reviewed so as to establish a closer public supervision and also to examine the possible extention of the public sector," the document adds.

Roy Rogers, labour correspondent, writes: *TUC leaders yesterday reluctantly accepted the Government's expenditure cuts, which will add a further 60,000 to the unemployed totals over the next two years.*

But Mr. Len Murray later warned the Government that sticking to the social contract and its aim of re-establishing full employment was "the best way of keeping in office."

Speaking a few hours before the Prime Minister was due to unveil the revised social contract, Mr. Murray said that, although there had been no vote at the council meeting, this did not mean wholehearted or enthusiastic endorsement of the measures.

Cuts praised abroad—Treasury

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

A SENIOR Treasury official yesterday claimed that the economic measures announced last week had been uniformly welcomed by foreign governments.

It was also admitted by a leading Treasury economist that the number of jobs lost as a result of the package is likely to be larger than the estimated impact on registered unemployment published so far.

In answer to questions yesterday from the general sub-committee of the all-party Commons Expenditure Committee, Mr. Fred Jones, a deputy secretary in the public spending side of the Treasury, said that reports that the IMF had disagreed with some aspects of the measures were "quite misguided. No IMF view has been expressed."

Mr. Jones added that "on the basis of normal day-to-day contacts at official and ministerial level with other Governments I can assure the committee that the measures have been uniformly welcomed as a major and constructive development to ensure a right sort of balance in the economy in line with international opinion."

It was the view of the Treasury that the spending cuts had "to a large extent been discounted by foreign exchange markets before last week's statement on Bat." "The tendency towards stability in the rate apparent since the announcement of the standby credits in early June had been maintained." It is extremely unusual for Treasury officials to comment, as Mr. Jones did twice, on the state of confidence and the exchange markets.

Earlier, Mr. Michael Posner, the Treasury's deputy chief economic adviser, had admitted that the number of jobs lost as a result of the package could be between 80,000 and 90,000 by early 1978, compared with the impact on registered unemployment of 60,000, already given for that period. This is because only a proportion of those out of work actually register.

Mr. Posner disagreed, however, with the suggestion of one MP, based on reported remarks by Mr. Albert Booth, the Employment Secretary, that the total impact might be 110,000. He said that according to the usual Treasury rule of thumb the total effect of the forecast change in the growth rate could be equivalent to between 150,000 and 160,000 eventually, but that in this case the impact would be very much smaller in early 1978 because the usual calculations did not apply owing to the very long time lags associated with the increase in national insurance contributions.

He was reluctant to make any further comment on the possible path of unemployment. In a background paper for the sub-committee, Mr. Terry Ward, its specialist adviser from the Department of Applied Economics at Cambridge, argues that on present policies the level of unemployment is unlikely to fall substantially up to the end of 1977, given the demographic increase in the labour supply and restraint on employment in the public sector.

The net number of new jobs created in 1978 and 1979 to meet the Government's target of 700,000 registered unemployed in 1979 would be about 1m. on this basis according to Mr. Ward.

On the balance of payments, Mr. Posner said the Treasury forecasts indicated a very much faster growth in the volume of exports than imports both at present and in the future, in contrast to Mr. Ward's suggestion that the deterioration in the deficit is likely to continue.

On the relative importance of monetary and incomes policy for restraining inflation, Mr. Posner said the Treasury and the Chancellor were not single-minded but preferred "a belt and braces to hold up trousers which had shown a horrible propensity to fall down in the past." He admitted that on a three-month moving average money Gross Domestic Product had probably been growing faster than the rate of increase in the money supply (M3).

Weather

U.K. TO-DAY

GENERALLY cloudy with rain.

London, S.E., Cent. S., Midlands, Channel Is., S.W. England
Dry, sunny intervals. Max. 21C (70F).

E., Cent. N. England
Bright periods at first, becoming cloudy, perhaps some rain. Max. 21C (70F).

Wales
Sunny intervals, but cloudy near coasts, with drizzle. Max. 19C (66F).

N.W., Lakes, S.W. Scotland, Glasgow
Cloudy, occasional rain or drizzle. Max 19C (66F).

I. of Man, N. Ireland
Cloudy, occasional coastal drizzle. Max. 19C (66F).

N.E. England, Borders
Cloudy, occasional rain or drizzle. Max. 19C (66F).

Edinburgh, Dundee, Aberdeen, Cent. Highlands, Moray Firth, N.E. Scotland
Cloudy, but sunny periods and showers developing. Max. 15C (59F).

Argyll, N.W. Scotland
Cloudy, occasional rain or drizzle. Max. 16C (61F).

Orkney, Shetland
Cloudy, rain, but sunny intervals and heavy showers developing. Max. 12C (54F).

Outlook: Changeable, with occasional rain or showers.

Lighting-up: London 21.23, Manchester 21.41, Glasgow 22.00, Belfast 22.01.

BUSINESS CENTRES

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Amsterdm.	F	19	66	Madrid	S	31	[illegible]
Athens	S	28	82	Manchstr.	F	19	66
Belfast	F	16	61	Melbourne	C	10	50
Belgrade	F	25	77	Milan	S	26	79
Berlin	C	18	64	Moscow	C	23	73
Birmghm.	C	17	63	Munich	F	20	68
Bristol	S	21	70	Newcastle	C	16	61
Brussels	F	22	72	Oslo	F	20	68
Budapest	F	26	79	Paris	C	26	79
Cardiff	C	19	66	Perth	C	15	59
Cologne	C	20	68	Prague	C	19	66
Copenhgn.	C	18	64	Reykjavik	R	11	52
Dublin	C	17	63	Rome	F	25	77
Edinburgh	S	19	66	Stockholm	C	20	68
Frankfurt	S	23	73	Strasbourg	C	21	70
Geneva	F	23	73	Sydney	F	14	57
Glasgow	F	19	66	Tel Aviv	S	27	81
Helsinki	R	13	55	Vienna	S	24	75
Lisbon	S	25	77	Warsaw	F	19	66
London	C	21	70	Zurich	F	21	70
Luxembrg.	C	21	70				

HOLIDAY RESORTS

		Y'day mid-day °C	°F			Y'day mid-day °C	°F
Ajaccio	S	24	75	Istanbul	S	27	81
Algiers	S	30	86	Jersey	F	23	73
Biarritz	S	24	75	Las Plms.	S	25	77
Blackpool	C	17	63	Locarno	F	25	77
Bordeaux	S	27	81	Majorca	S	28	82
Boulogne	S	19	66	Malaga	S	28	82
Casablnca.	S	25	77	Malta	S	26	79
Corfu	F	28	82	Naples	T	21	70
Dubrovnik	F	24	75	Nice	S	24	75
Faro	S	25	77	Oporto	F	22	72
Florence	S	25	77	Rhodes	S	29	84
Funchal	S	25	77	Salzburg	C	19	66
Gibraltar	S	24	75	Tangier	C	24	75
Guernsey	S	20	68	Tenerife	F	22	72
Innsbruck	C	18	64	Tunis	F	29	84
Inverness	C	15	59	Valencia	S	29	84
I. of Man	C	15	59	Venice	F	25	77

C—Cloudy. F—Fair. R—Rain. S—Sunny. T—Thunderstorm.

Registered at the Post Office. Printed by St. Clement's Press Ltd. for and published by the Financial Times Ltd., Bracken House, Cannon Street, London EC4P 4BY.